

CIRCULAR DATED 15 APRIL 2014

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Asia Power Corporation Limited, you should immediately hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made or reports contained or opinions expressed in this Circular.

This Circular, the Exit Offer Letter and the Acceptance Forms (all as defined herein) shall not be construed as, may not be used for the purpose of, and do not constitute, a notice or proposal or advertisement or an offer or invitation or solicitation in any jurisdiction or in any circumstance in which such a notice or proposal or advertisement or an offer or invitation or solicitation is unlawful or not authorised, or to any person to whom it is unlawful to make such a notice or proposal or advertisement or an offer or invitation or solicitation.



亚洲电力投资股份有限公司

ASIA POWER CORPORATION LIMITED

(Company Registration No.: 199701487C)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED VOLUNTARY DELISTING OF ASIA POWER CORPORATION LIMITED PURSUANT TO RULES 1307 AND 1309 OF THE SGX-ST LISTING MANUAL

Independent Financial Adviser to the Independent Directors of Asia Power Corporation Limited



STIRLING COLEMAN

施霖高诚

STIRLING COLEMAN CAPITAL LIMITED

(Company Registration No.: 200105040N)
(Incorporated in Singapore)

IMPORTANT DATES, TIMES AND VENUE

Last date and time for lodgement of Proxy Form	:	28 April 2014 at 9:30 a.m.
Date and time of Extraordinary General Meeting	:	30 April 2014 at 9:30 a.m.
Venue of Extraordinary General Meeting	:	Republic of Singapore Yacht Club, Nautica I, Level 2, 52 West Coast Ferry Road, Singapore 126887

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“Acceptance Forms”	:	FAA and/or FAT, as the case may be
“AGM”	:	Has the meaning ascribed to it in Section 3.2 of the Letter to the Shareholders as set out in this Circular
“AR2013”	:	Has the meaning ascribed to it in Section 3.2 of the Letter to the Shareholders as set out in this Circular
“Asiasons WFG Capital”	:	Asiasons WFG Capital Pte Ltd, the financial adviser to the Offeror in connection with the Delisting and the Exit Offer
“Approval of Delisting Resolution Condition”	:	Has the meaning ascribed to it in Section 3.2 of the Letter to the Shareholders as set out in this Circular
“Articles”	:	The Articles of Association of the Company
“Board”	:	The board of Directors
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 15 April 2014 issued by the Company
“Closing Date”	:	14 May 2014, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgment of acceptances of the Exit Offer
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	Companies Act (Chapter 50 of Singapore)
“Company”	:	Asia Power Corporation Limited
“Controlling Shareholders”	:	Shareholders who: (a) hold directly or indirectly 15% or more of the total number of the issued Shares; or (b) in fact exercise control over the Company
“Convertible Securities”	:	Securities convertible or exchangeable into new shares or existing shares
“CPF”	:	Central Provident Fund
“CPF Agent Banks”	:	The banks approved by the CPF to be its agent banks, being DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who purchased Shares using their CPF savings under the CPFIS

“Delisting”	: The voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual
“Delisting Proposal”	: Has the meaning ascribed to it in Section 1.5 of the Letter to the Shareholders as set out in this Circular
“Delisting Resolution”	: The resolution to be proposed at the EGM to approve the Delisting
“Derivatives”	: Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
“Directors”	: Directors of the Company as at the Latest Practicable Date
“EGM”	: The extraordinary general meeting of the Company to be held on 30 April 2014, notice of which is set out on page 60 of this Circular, and any adjournment thereof
“Encumbrances”	: Has the meaning ascribed to it in Section 3.1 of the Letter to the Shareholders as set out in this Circular
“Exit Offer”	: The delisting exit offer by the Offeror to acquire the Offer Shares on the terms and conditions set out in the Exit Offer Letter (including the relevant Acceptance Forms)
“Exit Offer Letter”	: The letter dated 15 April 2014 from the Offeror to the Shareholders in relation to the Exit Offer
“Exit Offer Price”	: Has the meaning ascribed to it in Section 3.1 of the Letter to the Shareholders as set out in this Circular
“FAA”	: Form of Acceptance and Authorisation to be issued to Shareholders whose Shares are deposited with CDP
“FAT”	: Form of Acceptance and Transfer to be issued to Shareholders whose Shares are not deposited with CDP
“FY”	: Financial year ended or ending (as the case may be) on 31 December of a particular year as stated
“Group”	: The Company, its subsidiaries and associated companies
“Independent Directors”	: The Directors who are considered to be independent for the purposes of making recommendations to Shareholders in respect of the Delisting and the Exit Offer, being Mr. Xue Liang, Mr. Wang Daxi, Mr. Li Tianfei, Mr. Ng Fook Ai, Victor, Mr. Joseph He Jun and Mr. Xu Jianping
“IFA”	: Stirling Coleman Capital Limited, the independent financial adviser to the Independent Directors in relation to the Exit Offer
“Interested Person”	: As defined in the Note on Rule 23.12 of the Code, an Interested Person, in relation to a company, is: (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;

- (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;
- (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
- (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more

“Joint Announcement”	:	Joint announcement dated 24 March 2014 by the Offeror and the Company on the Delisting Proposal and the Exit Offer
“Joint Announcement Date”	:	24 March 2014, being the date of the Joint Announcement
“Latest Practicable Date”	:	7 April 2014, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Memorandum”	:	The Memorandum of Association of the Company
“NTA”	:	Net tangible assets
“Offer Shares”	:	Has the meaning ascribed to it in Section 3 of the Letter to the Shareholders as set out in this Circular
“Offeror”	:	Asia New Energy Holding Limited
“Options”	:	Options to subscribe for or purchase new shares
“PRC”	:	People’s Republic of China
“Previous Offer”	:	Has the meaning ascribed to it in Section 1.1 of the Letter to the Shareholders as set out in this Circular
“RMB”	:	Renminbi, the lawful currency of the PRC
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Issued ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore

“S\$”	:	Singapore dollars, being the lawful currency of the Republic of Singapore
“VWAP”	:	Volume weighted average price
“Waiver”	:	Has the meaning ascribed to it in Section 3.2 of the Letter to the Shareholders as set out in this Circular
“Warrants”	:	Rights to subscribe for or purchase new shares or existing shares
“%” or “per cent.”	:	Per centum or percentage

Unless otherwise defined, the term “**acting in concert**” shall have the meaning ascribed to it in the Code.

The terms “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The terms “**subsidiary**” and “**related corporation**” have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act.

The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act.

The term “**substantial shareholder**” shall have the meaning ascribed to it in Section 81 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Listing Manual or the Code or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual or the Code or any modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Any discrepancies in this Circular between the listed amounts and the total thereof are due to rounding. Accordingly, figures may have been adjusted to ensure that totals reflect an arithmetic aggregation of the figures that precede them.

In this Circular, the Company has 465,922,022 Shares as at the Latest Practicable Date. The Company does not hold any treasury shares as at the Latest Practicable Date.

Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the Offeror undertakes any obligation to update publicly or revise any forward-looking statements.

INDICATIVE TIMETABLE

Last date and time for lodgment of proxy forms for the EGM ⁽¹⁾	: 28 April 2014 at 9:30 a.m.
Date and time of the EGM	: 30 April 2014 at 9:30 a.m.
Expected Closing Date of the Exit Offer	: 14 May 2014 at 5:30 p.m., or such other date(s) as may be announced from time to time by or on behalf of the Offeror
Expected date for the Delisting of the Shares	: Approximately two (2) to three (3) weeks after the Closing Date, or such other date as may be announced from time to time by the Company
Expected Date(s) for the payment of the Exit Offer Price, in respect of valid acceptances of the Exit Offer	: Within 10 days: (a) after the Delisting Resolution has been passed at the EGM (where valid acceptances of the Exit Offer are tendered on or prior to the date of the Delisting Resolution being passed at the EGM); or (b) after the date of receipt of valid acceptances of the Exit Offer (where such acceptances are tendered after the Delisting Resolution has been passed at the EGM but before the close of the Exit Offer)

Shareholders should note that, save for the last date and time for lodgment of proxy forms for the EGM, the date and time of the EGM and the date(s) for the payment of the Exit Offer Price, in respect of valid acceptances of the Exit Offer, the above timetable is indicative only and may be subject to change. For the events listed above which are described as “expected”, please refer to future announcement(s) by the Company for the exact dates and times of these events.

Note:

- (1) Proxy forms should be duly completed and deposited at the office of the Company's registered address at 24 Raffles Place, #27-03, Clifford Centre, Singapore 048621 not less than 48 hours before the time appointed for holding the EGM. Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the EGM in place of his proxy.

PLEASE NOTE THAT THE EXIT OFFER IS CONDITIONAL UPON THE DELISTING RESOLUTION BEING PASSED AT THE EGM TO BE CONVENED BUT IS NOT CONDITIONAL UPON A MINIMUM NUMBER OF ACCEPTANCES BEING RECEIVED BY THE OFFEROR. IF THE CONDITION IS NOT FULFILLED, THE DELISTING WILL NOT PROCEED, THE COMPANY WILL REMAIN LISTED ON THE SGX-ST AND THE EXIT OFFER WILL LAPSE.

PLEASE ALSO NOTE THAT APPROVING THE DELISTING RESOLUTION AT THE EGM DOES NOT AUTOMATICALLY MEAN THAT YOU HAVE ACCEPTED THE EXIT OFFER. PLEASE REFER TO SECTION 14.2 OF THE LETTER TO THE SHAREHOLDERS AS SET OUT IN THIS CIRCULAR IF YOU WISH TO ACCEPT THE EXIT OFFER.

ASIA POWER CORPORATION LIMITED

(Company Registration No.: 199701487C)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr. Xue Liang	(Executive Chairman and Chief Executive Officer)
Mr. Wang Daxi	(Executive Director)
Mr. Li Tianfei	(Non-Executive Director)
Mr. Ng Fook Ai, Victor	(Non-Executive and Independent Director)
Mr. Joseph He Jun	(Non-Executive and Independent Director)
Mr. Xu Jianping	(Non-Executive and Independent Director)

Registered Office:

24 Raffles Place
#27-03
Clifford Centre
Singapore 048621

15 April 2014

To: The Shareholders of the Company

Dear Sir / Madam

THE PROPOSED VOLUNTARY DELISTING OF ASIA POWER CORPORATION LIMITED PURSUANT TO RULES 1307 AND 1309 OF THE SGX-ST LISTING MANUAL

1. INTRODUCTION

- 1.1 Asiasons WFG Capital, for and on behalf of the Offeror, has made a voluntary conditional cash offer on 13 November 2013 (the “**Previous Offer**”) to acquire all the Shares, other than those Shares held by the Company as treasury shares and those Shares held, directly or indirectly, by the Offeror.
- 1.2 The Previous Offer was declared to be unconditional in all respects on 22 January 2014. As at the close of the Previous Offer on 11 February 2014, the Offeror owned and controlled in aggregate 416,332,352 Shares, representing approximately 89.36% of the total number of issued Shares.
- 1.3 Following the close of the Previous Offer, the Offeror made various on-market purchases, pursuant to which the Offeror’s shareholding interest in the Company increased to 417,333,352 Shares, representing approximately 89.57% of the total number of issued Shares as at the Latest Practicable Date.
- 1.4 As stated in the offer document dated 29 November 2013 despatched by Asiasons WFG Capital, for and on behalf of the Offeror, to the Shareholders in connection with the Previous Offer, it is not the intention of the Offeror to preserve the listing status of the Company and the Offeror has no intention to take steps for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of Shares (excluding any Shares held by the Company as treasury shares) are held in public hands.
- 1.5 On 24 March 2014, the Company and the Offeror jointly announced that the Offeror had presented to the Directors a formal proposal (the “**Delisting Proposal**”) to seek the voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.
- 1.6 Under the Delisting Proposal, Asiasons WFG Capital, on behalf of the Offeror, will make an Exit Offer to acquire all the Offer Shares at the Exit Offer Price of S\$0.16 in cash for each Offer Share. A copy of the Joint Announcement is available on the website of the SGX-ST at www.sgx.com.
- 1.7 The Directors have reviewed the Delisting Proposal and decided to (a) apply to the SGX-ST for the Delisting; and (b) subject to the approval of the SGX-ST, convene an EGM of the Company to seek the approval of Shareholders for the Delisting.

- 1.8 The purpose of this Circular is to provide Shareholders with relevant information regarding the Delisting Proposal and the Exit Offer and to seek Shareholders' approval for the Delisting at the EGM to be held on 30 April 2014.

2. THE DELISTING PROPOSAL

Under the terms of the Delisting Proposal, the Offeror is making the Exit Offer to acquire the Offer Shares. The Exit Offer is conditional on the Delisting Resolution being passed at the EGM but is not conditional upon a minimum number of acceptances being received by the Offeror. The Delisting Resolution, if passed by Shareholders at the EGM, will result in the delisting of the Company from the Official List of the SGX-ST.

2.1 Rules 1307 and 1309 of the Listing Manual

Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application for the Company to delist from the Official List of the SGX-ST if:

- (a) the Company convenes the EGM to obtain Shareholders' approval for the Delisting;
- (b) the Delisting Resolution has been approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM to be convened for the Shareholders to vote on the Delisting Resolution (the Directors and Controlling Shareholders are not required to abstain from voting on the Delisting Resolution); and
- (c) the Delisting Resolution has not been voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

In addition, under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST:

- (i) a reasonable exit alternative, which should normally be in cash, should be offered to Shareholders; and
- (ii) the Company should normally appoint an independent financial adviser to advise on the Exit Offer.

2.2 Application to the Securities Industry Council

As stated in the Exit Offer Letter, an application was made by the Offeror to the SIC to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. Please refer to paragraph 8 of the Exit Offer Letter for the rulings of the SIC.

3. THE EXIT OFFER

As stated in the Exit Offer Letter, subject to the Approval of Delisting Resolution Condition (as defined below), Asiasons WFG Capital, for and on behalf of the Offeror, offers to acquire all the Shares, other than those Shares held by the Company as treasury shares and those Shares held directly or indirectly by the Offeror as at the date of the Exit Offer (the "**Offer Shares**"), on the terms and subject to the conditions set out in the Exit Offer Letter (including the Acceptance Forms).

3.1 Terms of the Exit Offer

As stated in the Exit Offer Letter, the Offeror will make the Exit Offer for the Offer Shares on the following basis:

For each Offer Share: S\$0.16 in cash ("Exit Offer Price"). The Exit Offer Price is the same as the offer price under the Previous Offer.

The Exit Offer Price shall be applicable to any number of Offer Shares that are tendered in acceptance of the Exit Offer.

As stated in the Exit Offer Letter, the Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive all dividends and other distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

Further details on the Exit Offer are set out in the Exit Offer Letter containing, *inter alia*, the terms of the Exit Offer and the relevant Acceptance Forms.

3.2 Conditions

As stated in the Exit Offer Letter, the Delisting and Exit Offer are conditional on:

- (a) the Delisting Resolution being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM to be convened for the Shareholders to vote on the Delisting Resolution (the Directors and Controlling Shareholders are not required to abstain from voting on the Delisting Resolution); and
- (b) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM,

(collectively, the "**Approval of Delisting Resolution Condition**").

The Exit Offer is **not** conditional upon a minimum number of acceptances being received by the Offeror.

Under Rule 1307 of the Listing Manual, all Shareholders (including the Offeror and parties acting in concert with the Offeror who hold Shares) are entitled to vote on the Delisting Resolution.

The Offeror, which owns 417,333,352 Shares as at the Latest Practicable Date, representing approximately 89.57% of the total number of issued Shares, is entitled to and intends to vote all its Shares in favour of the Delisting Resolution at the EGM.

An application was made by the Company to the SGX-ST on 25 March 2014 to seek a waiver (the "**Waiver**") from the requirements to:

- (a) convene its forthcoming annual general meeting ("**AGM**") pursuant to Rule 707(1) of the Listing Manual; and
- (b) issue and despatch its annual report for the financial year ended 31 December 2013 ("**AR2013**") to Shareholders and the SGX-ST at least 14 days before the date of its AGM pursuant to Rule 707(2) of the Listing Manual.

The SGX-ST has in its letter dated 8 April 2014 advised that it has no objection to the Company's application for waiver from compliance with Rule 707(1) of the Listing Manual subject to the following conditions:

- (a) Shareholders' approval of the Delisting being obtained by 30 April 2014 at an EGM to be convened. In the event the Delisting is not approved, the Company must convene the AGM by 31 May 2014 and issue AR2013 no later than 14 days before the AGM;

- (b) the Company convening the AGM by 31 May 2014 subject to approval of the same being obtained from the Accounting and Corporate Regulatory Authority of Singapore;
- (c) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Rule 107 of the Listing Manual; and
- (d) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the Articles of the Company.

The Company is required to comply with Rule 707(2) of the Listing Manual. Hence, the Company must issue AR2013 to Shareholders and the SGX-ST at least 14 days before the date of its AGM.

An application was also made by the Company to the SGX-ST on 26 March 2014 to delist the Company from the Official List of the SGX-ST. The SGX-ST has in its letter dated 8 April 2014 advised that it has no objection to the Delisting, subject to the compliance of Rules 1307 and 1309 of the Listing Manual. However, this is not to be taken as an indication of the merits of the Delisting.

Shareholders are to note that if the Approval of Delisting Resolution Condition is not fulfilled, the Delisting will not proceed, the Company will remain listed on the Official List of the SGX-ST and the Exit Offer will lapse.

3.3 Warranty

As stated in the Exit Offer Letter, acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted and sold by him as, or on behalf of, the beneficial owner(s) thereof, is fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive all dividends and other distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

3.4 Duration

As stated in the Exit Offer Letter, the Exit Offer is open for acceptance from the date of despatch of the Exit Offer Letter. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances are conditional and if the Delisting Resolution is not passed at the EGM, the Approval of Delisting Resolution Condition will not be fulfilled and the Exit Offer will lapse, and both the Shareholders and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

As stated in the Exit Offer Letter, if the Delisting Resolution is passed by the Shareholders at the EGM, the Exit Offer will continue to be open for acceptance by the Shareholders for at least 14 days after the date of the announcement of the satisfaction of the Approval of Delisting Resolution Condition. Accordingly, the Exit Offer will close at **5:30 p.m. on 14 May 2014** or such later date(s) as may be announced from time to time by or on behalf of the Offeror (i.e. the Closing Date).

4. **IMPLICATIONS OF COMPULSORY ACQUISITION AND DELISTING FOR SHAREHOLDERS**

4.1 Delisting

Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of marketability. **Following the Delisting, it is likely to be difficult for Shareholders who do not accept the Exit Offer to sell their Shares in the absence of a public market for the Shares as there is no arrangement for Shareholders to exit. If the Company is delisted, even if such Shareholders were able to sell their Shares, they may receive a lower price as compared to the Exit Offer Price.** Further, any transfer or sale of Shares represented by share certificates will be subject to a stamp duty.

Shareholders should also note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Exit Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Exit Offer.

As an unlisted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 and Appendices 7.1, 7.2, 7.4.1 and 7.4.2 of the Listing Manual. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Companies Act and its Memorandum and Articles, and the interests of Shareholders who do not accept the Exit Offer will be protected to the extent provided for by the Companies Act.

If the Company is delisted from the Official List of the SGX-ST, each Shareholder who holds Shares that are deposited with CDP and does not accept the Exit Offer will be entitled to one share certificate representing his delisted Shares. The Company's share registrar, M & C Services Private Limited, will arrange to forward the share certificates to such Shareholders who are not CPFIS Investors, by ordinary post and at the Shareholders' own risk, to their respective addresses as such addresses appear in the records of CDP for their physical safekeeping. The share certificates belonging to CPFIS Investors will be forwarded to their respective CPF Agent Banks for their safekeeping.

Shareholders who are in doubt of their position should seek independent professional advice.

4.2 Compulsory Acquisition

As stated in the Exit Offer Letter, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.

Please refer to paragraph 6 of the Exit Offer Letter for details on, *inter alia*, the rights of the Offeror and Shareholders under Section 215 of the Companies Act.

5. **INFORMATION ON THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT**

Please refer to paragraph 3 of the Exit Offer Letter and Appendix II to the Exit Offer Letter for information and further disclosure on the Offeror as well as other parties acting in concert with the Offeror.

6. **INFORMATION ON THE COMPANY**

The Company was incorporated in Singapore on 7 March 1997 and was listed on the Main Board of the SGX-ST on 9 November 1999. The Company is principally involved in the ownership, management and operation of power plants in the PRC.

Additional information on the Company is set out in **Appendix II** to this Circular.

7. **RATIONALE FOR THE DELISTING AND THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY AND THE GROUP**

- 7.1 The following section on the rationale for the Exit Offer and the Offeror's intentions relating to the Company and the Group is reproduced from paragraph 5 of the Exit Offer Letter, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated:

“5. RATIONALE FOR THE DELISTING

5.1 Low Trading Liquidity and Low Free Float

The trading liquidity of the Shares on the SGX-ST in the past year has been generally thin. The average daily trading volume of the Shares for the 12-month, six (6)-month, three (3)-month and one (1)-month periods up to and including 21 March 2014, being the last full day of trading in the Shares on the SGX-ST immediately prior to the Joint Announcement Date (“the Last Trading Day”) are approximately as follows:

Period prior to the Last Trading Day	Average Daily Trading Volume⁽¹⁾⁽²⁾ ('000)	Total Trading Volume ('000)
<i>Last 12 months</i>	<i>229</i>	<i>57,705</i>
<i>Last six (6) months</i>	<i>261</i>	<i>32,948</i>
<i>Last three (3) months</i>	<i>87</i>	<i>5,424</i>
<i>Last one (1) month</i>	<i>16</i>	<i>313⁽³⁾</i>

Notes:

(1) Source: Bloomberg L.P..

(2) The average daily trading volume is computed based on the total trading volume of the Shares on the SGX-ST, divided by the total number of days on which the SGX-ST is open for trading during the relevant periods.

(3) Of which 283,000 Shares were market acquisitions made by the Offeror.

In addition, as at the Latest Practicable Date, the Offeror owns 417,333,352 Shares representing approximately 89.57% of the total number of issued Shares. This implies a free float of no greater than 10.43% of the total number of issued Shares. The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company.

The Exit Offer will provide an exit option for those Shareholders who wish to realise their entire investment in the Shares but find it difficult to do so as a result of the low trading liquidity of the Shares and low free float of the Shares.

5.2 Compliance Costs of Maintaining Listing

In maintaining the Company's listing status, the Company incurs additional compliance and associated costs. The Company will be able to, as a non-listed entity, dispense with costs associated with complying with the SGX-ST listing requirements and other regulatory requirements as well as human resources that have to be committed for such compliance and channel its resources to its business operations.

5.3 No Need for Access to Capital Markets

A primary reason for companies to maintain a listing on the SGX-ST is to access the Singapore capital markets for funding. The Company is unlikely to require access to the Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain its listing status.

5.4 Offeror's Intention

*Following the privatisation of the Company, the Offeror intends to undertake a strategic and operational review of the Company's businesses and to evaluate various strategic options, including amongst others, making synergistic acquisition and divesting assets. It is currently the intention of the Offeror to ensure continuity in the operations of the Company and its subsidiaries ("**Group**") and to steer the Group to further growth and development. Save as disclosed above, the Offeror does not currently have any intention to make major changes to (a) the business of the Group; (b) the deployment of the fixed assets of the Group; or (c) the employment of the employees of the Group. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves, and which the Offeror regards to be in the interests of the Offeror and/or the Group."*

- 7.2 The Directors note that the Offeror has stated its intentions in relation to the operations and businesses of the Company as well as the employees of the Group in paragraph 5.4 of the Exit Offer Letter.

SHAREHOLDERS ARE URGED TO READ PARAGRAPH 5 OF THE EXIT OFFER LETTER CAREFULLY.

8. OVERSEAS SHAREHOLDERS

- 8.1 This Circular does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Circular in any jurisdiction in contravention of any applicable law. The Exit Offer will be made solely by the Exit Offer Letter and the relevant Acceptance Forms accompanying the Exit Offer Letter, which will contain the full terms and conditions of the Exit Offer, including details of how the Exit Offer may be accepted.

The release, publication or distribution of this Circular in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Circular is released, published or distributed should inform themselves about and observe such restrictions.

- 8.2 Please refer to paragraph 12 of the Exit Offer Letter for the points to be noted by Overseas Shareholders in relation to the Exit Offer.

9. INFORMATION IN RESPECT OF THE DIRECTORS

- 9.1 All the Directors are considered independent for the purposes of the Exit Offer and are required to make a recommendation to Shareholders in respect of the Exit Offer. All the Directors are responsible for the accuracy of facts stated and completeness of the information given by the Company to the Shareholders in connection with the Exit Offer, including information contained in announcements and documents issued by or on behalf of the Company in connection with the Exit Offer.
- 9.2 As at the Latest Practicable Date, the Directors do not have any direct or deemed interest in any (a) Shares or (b) Convertible Securities, Warrants, Options or Derivatives. Further details of the Directors as at the Latest Practicable Date are set out in **Appendix II** to this Circular.

10. INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

The interests of the substantial Shareholders in the Company as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are as set out below:

	Direct Interest		Deemed Interest		Total	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Substantial Shareholders						
Offeror	417,333,352	89.57	—	—	417,333,352	89.57
Lu Di ⁽²⁾	—	—	417,333,352	89.57	417,333,352	89.57

Notes:

(1) Based on 465,922,022 Shares in issue as at the Latest Practicable Date.

(2) Ms. Lu Di, the director of the Offeror, is deemed interested, by virtue of Section 7 of the Companies Act, in 417,333,352 Shares held by the Offeror.

11. ADVICE OF IFA TO THE INDEPENDENT DIRECTORS

IFA has been appointed as the independent financial adviser to the Independent Directors in relation to the Exit Offer. The letter from IFA setting out its advice to the Independent Directors is set out in **Appendix I** to this Circular. Shareholders are advised to read and consider carefully, in its entirety, the advice of IFA contained in the letter from IFA to the Independent Directors. An extract of IFA's advice in relation to the Exit Offer is reproduced in italics below:

"9. RECOMMENDATION AND CONCLUSION

Having carefully considered the information available to us, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and based on the factors set out above, and subject to the qualifications and assumptions made herein, from a financial point of view, we are of the opinion that the financial terms of the Exit Offer, on balance, are fair and reasonable and not prejudicial to the interest of the Shareholders. Accordingly, our recommendation to the Independent Directors of the Company in respect of the Exit Offer is that they should recommend the Shareholders to VOTE IN FAVOUR of the Delisting Resolution at the EGM and ACCEPT the Exit Offer to realise their entire investment in the Company.

Shareholders should note that unless the Delisting Resolution is voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM, the Delisting Resolution will be passed at the EGM.

Shareholders may wish to sell their Shares in the open market if they are able to obtain a price higher than the Offer Price net of related expense (such as brokerage and trading costs).

Shareholders who wish to retain all or part of their investment in the Shares are advised to take into consideration the implications of holding shares in an unlisted company as set out in Section 4 of the Circular in the event that the Delisting Resolution is passed at the EGM."

12. INDEPENDENT DIRECTORS' RECOMMENDATION

Shareholders are advised by the Independent Directors to read and consider carefully the following recommendation of the Independent Directors and the advice of IFA contained in the letter from IFA to the Independent Directors as reproduced in **Appendix I** to this Circular in its entirety. The Independent Directors advise the Shareholders to review paragraph 5 of the Exit Offer Letter carefully. The Independent Directors also draw the attention of the Shareholders to Section 4 of this Letter to the Shareholders entitled "Implications of Compulsory Acquisition and Delisting for Shareholders".

In reaching the recommendation set out below, the Independent Directors have considered carefully, amongst other things, the terms of the Delisting Proposal including the Exit Offer and the advice given by IFA.

Having taken the above matters into consideration, the Independent Directors concur with the advice of IFA in respect of the Exit Offer.

Accordingly, the Independent Directors recommend that Shareholders VOTE IN FAVOUR of the Delisting Resolution and either ACCEPT the Exit Offer or sell their Shares in the open market if they can obtain a price higher than the Exit Offer Price (after taking into account all brokerage commissions or transaction costs in connection with open market transactions) by doing so.

In rendering the above advice and giving the above recommendations, the Independent Directors have not taken into consideration nor had regard to the general or specific investment objectives, financial situation, risk profiles, tax position and/or particular or unique needs and constraints of any individual Shareholder. As different Shareholders have different investment profiles and objectives, the Independent Directors recommend that any Shareholder who may require specific advice in relation to the Exit Offer consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

13. EXTRAORDINARY GENERAL MEETING

The EGM, as convened by the notice attached to this Circular, will be held at Republic of Singapore Yacht Club, Nautica I, Level 2, 52 West Coast Ferry Road, Singapore 126887 on 30 April 2014 at 9:30 a.m.. The purpose of the EGM is for Shareholders to consider and, if thought fit, pass, on a poll, with or without amendments, the Delisting Resolution set out in the Notice of EGM on page 60 of this Circular.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

14.1 Voting at the EGM

Shareholders will find enclosed with this Circular, the Notice of EGM and a proxy form. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 24 Raffles Place, #27-03 Clifford Centre, Singapore 048621, not later than 48 hours before the time of the EGM on 30 April 2014 at 9:30 a.m.. Completion and return of a proxy form by a Shareholder will not prevent him from attending and voting in person at the EGM if he so wishes, in place of his proxy.

14.2 Acceptance of the Exit Offer

The Exit Offer Letter and the Acceptance Forms have been despatched together with this Circular.

The Exit Offer may only be accepted by the relevant Shareholder to whom the Exit Offer Letter is addressed. If you wish to accept the Exit Offer, you should complete, sign and return the relevant Acceptance Form in accordance with the provisions and instructions in the Exit Offer Letter and that Acceptance Form.

Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptance is conditional upon the Approval of Delisting Resolution Condition being fulfilled.

Shareholders should note that if the Delisting Resolution is not passed at the EGM, the Approval of Delisting Resolution Condition will not be fulfilled and the Exit Offer will lapse and both the Shareholders and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

Please refer to paragraph 11 of the Exit Offer Letter and Appendix I to the Exit Offer Letter for detailed procedures for acceptance of the Exit Offer.

If you decide not to accept the Exit Offer, you do not have to take any action. In the event that the Approval of Delisting Resolution Condition is fulfilled and the Company is delisted, you will continue to hold unlisted Shares in the Company. If you hold Shares that are deposited with CDP, a share certificate in respect of your Shares that are deposited with CDP will be sent, by ordinary post and at your own risk, to your address as it appears in the records of CDP, after the Company has been delisted from the Official List of the SGX-ST. The share certificates belonging to CPFIS Investors will be forwarded to their respective CPF Agent Banks for their safekeeping.

14.3 Information pertaining to CPFIS Investors

Information on the Exit Offer pertaining to CPFIS Investors is set out in paragraph 13 of the Exit Offer Letter.

15. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including any Director who may have delegated detailed supervision of this Circular) jointly and severally accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Delisting, the Company and its subsidiaries (other than those relating to the Offeror, the parties acting in concert with it, the Exit Offer and **Appendix I** to this Circular), all reasonable care has been taken to ensure that the facts stated and all opinions expressed herein (other than those relating to the Offeror, the parties acting in concert with it, the Exit Offer and **Appendix I** to this Circular) are fair and accurate and the Directors are not aware of any facts the omission of which would make any statement in this Circular (other than those relating to the Offeror, the parties acting in concert with it, the Exit Offer and **Appendix I** to this Circular) misleading.

In respect of the letter from IFA to the Independent Directors (set out in **Appendix I** to this Circular), the responsibility of the Independent Directors have been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Circular in its proper form and context.

16. **CONSENTS**

- 16.1 The independent financial adviser, IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its advice to the Independent Directors set out in Section 11 of this Letter to the Shareholders, the "Letter from IFA to the Independent Directors of Asia Power Corporation Limited" set out in **Appendix I** to this Circular and all references thereto in the form and context in which they appear in this Circular.

- 16.2 The Company's share registrar, M & C Services Private Limited, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, and all references thereto in the form and context in which they appear in this Circular.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 24 Raffles Place, #27-03, Clifford Centre, Singapore 048621, during normal business hours, from the date of this Circular until the date of the EGM:

- (a) the Memorandum and Articles;
- (b) the annual reports of the Company for FY2010, FY2011 and FY2012;
- (c) the unaudited consolidated financial statements of the Group for FY2013;
- (d) the letter from the Offeror to the Company dated 24 March 2014 in respect of the Delisting Proposal;
- (e) the Exit Offer Letter from the Offeror to the Company dated 15 April 2014 in respect of the Delisting Proposal;
- (f) the letter from IFA to the Independent Directors set out in **Appendix I** to this Circular;
- (g) the letters of consent referred to in Section 16 of the Letter to the Shareholders above; and
- (h) the Joint Announcement.

18. ADDITIONAL INFORMATION

Your attention is drawn to the Appendices which form part of this Circular.

Yours faithfully
For and on behalf of the Directors

Xue Liang
Executive Chairman and Chief Executive Officer
ASIA POWER CORPORATION LIMITED

APPENDIX I

LETTER FROM IFA TO THE INDEPENDENT DIRECTORS OF ASIA POWER CORPORATION LIMITED

STIRLING COLEMAN CAPITAL LIMITED

(Company registration no.200105040N)

4 Shenton Way #07-03

SGX Centre 2

Singapore 068807

15 April 2014

To: The Independent Directors of
Asia Power Corporation Limited
24 Raffles Place
#27-03 Clifford Centre
Singapore 048621

Dear Sirs

PROPOSED VOLUNTARY DELISTING OF ASIA POWER CORPORATION LIMITED PURSUANT TO RULES 1307 AND 1309 OF THE LISTING MANUAL

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 15 April 2014 to the shareholders of Asia Power Corporation Limited (the "Circular").

1. INTRODUCTION

Asiasons WFG Capital, for and on behalf of the Offeror, has made a voluntary conditional cash offer on 13 November 2013 (the "**Previous Offer**") to acquire all the Shares, other than those Shares held by the Company as treasury shares and those Shares held, directly or indirectly, by the Offeror.

The Previous Offer was declared to be unconditional in all respects on 22 January 2014. As at the close of the Previous Offer on 11 February 2014, the Offeror owned and controlled in aggregate 416,332,352 Shares, representing approximately 89.36% of the total number of issued Shares.

Following the close of the Previous Offer, the Offeror made various on-market purchases, pursuant to which the Offeror's shareholding interest in the Company increased to 417,333,352 Shares, representing approximately 89.57% of the total number of issued Shares as at the Latest Practicable Date.

On 24 March 2014, the Company and the Offeror jointly announced that the Offeror had presented to the Directors a formal proposal (the "**Delisting Proposal**") to seek the voluntary delisting (the "**Delisting**") of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual. A copy of the Joint Announcement is available on the website of the SGX-ST at www.sgx.com.

Under the Delisting Proposal, Asiasons WFG Capital, on behalf of the Offeror, will make an exit offer in cash (the “**Exit Offer**”), conditional on the approval of the Shareholders for the Delisting being obtained, to acquire all the Shares, other than those Shares already held directly or indirectly by the Offeror as at the date of the Exit Offer (the “**Offer Shares**”) at the offer price of **S\$0.16** (the “**Exit Offer Price**”) in cash for each Offer Share.

The Directors have reviewed the Delisting Proposal and decided to (a) apply to the SGX-ST for the Delisting; and (b) subject to the approval of the SGX-ST, convene an EGM of the Company to seek the approval of Shareholders for the Delisting.

Stirling Coleman Capital Limited (“**Stirling Coleman**”) has been appointed as the independent financial adviser, to render a written opinion on the financial terms of the Exit Offer, to the Independent Directors for the purpose of making the recommendation to Shareholders in respect of the Exit Offer. This letter sets out, *inter alia*, our views and evaluation of the financial terms of the Exit Offer and our opinion thereon. It will form part of the Circular providing, *inter alia*, the details of the Delisting Proposal, the Exit Offer and the recommendation of the Independent Directors in respect thereof.

2. TERMS OF REFERENCE

Our opinion, by way of this letter, will be limited solely to the financial terms of the Exit Offer, as of the date of the opinion. Our opinion will be rendered for the use and benefit of the Independent Directors for their deliberations on the Exit Offer, before arriving at a decision on the merits or demerits of the Exit Offer and in making any recommendation to Shareholders.

We do not, by this letter or otherwise, advise or form any judgment on the commercial merits and/or risks of the Exit Offer other than to form an opinion on the financial terms of the Exit Offer. We have confined our evaluation to the financial terms of the Exit Offer and our terms of reference do not require us to evaluate or comment on the legal and commercial risks and/or merits of the Exit Offer.

In evaluating the financial terms of the Exit Offer and in arriving at our opinion thereon, we have not relied upon any financial projections or forecasts in respect of the Company or the Group. Our terms of reference do not require us to express and we do not express any view on the future growth prospects, financial position and earnings potential of the Group after the completion of the Exit Offer. We therefore do not make any projection as to the future financial performance of the Group after the completion or expiry of the Exit Offer.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares or the assets of the Company. We are therefore not addressing the relative merits of the Exit Offer as compared to any alternative transaction (if any) previously considered by the Company (or its Shareholders), or as compared to any alternative offer that might be otherwise available in the future.

In arriving at our opinion and recommendation, we have conducted discussions with the Directors and management of the Company and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Group and its other professional advisers. We have relied upon and assumed the accuracy without having independently verified such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. In particular, we have not conducted a comprehensive review of the business operations and financial condition of the Company or the Group, nor have we independently assessed whether or not such information represents a true and fair position of the financial, operating and business affairs of the Company or the Group at any time or as at the Latest Practicable Date, being 7 April 2014. However, we have made such enquiries and exercised our judgment, as we deemed necessary

and have found no reason to doubt the reliability of such information and representations made to us. The information which we relied on were based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date and may change significantly over a relatively short period of time. We assume no responsibility to update, revise, or affirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Accordingly, we do not express an opinion herein as to the prices at which the Shares of the Company may trade in the absence of the Exit Offer or if the Exit Offer is not effected.

We have also relied upon the responsibility statement that the Circular has been reviewed and approved by the Directors (including those who may have delegated detailed supervision of the Circular) who have taken all reasonable care and have made all reasonable enquiries to ensure that, to the best of their knowledge and after due and careful consideration, the facts stated and the opinions expressed herein (other than those relating to the Offeror and those set out in the IFA Letter) are fair and accurate and that no material facts have been omitted from this Circular which would make any statement in this Circular misleading, and they jointly and severally accept full responsibility accordingly.

Where any information in the Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror or the parties acting in concert with it, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources or, as the case may be, and/or reproduced in the Circular in its proper form and context.

In rendering our services, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise you to recommend that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular. We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter). A copy of this letter will be reproduced in the Circular.

Our recommendation in respect of the Exit Offer, as set out in Section 11 of the Circular, should be considered in the context of the entirety of this letter and the Circular.

3. THE EXIT OFFER

The following has been extracted from Section 3 of the Circular. Shareholders are advised to read the information carefully.

Subject to the Approval of Delisting Resolution Condition (as defined below), Asiasons WFG Capital, for and on behalf of the Offeror, offers to acquire all the Offer Shares, on the terms and subject to the conditions set out in the Exit Offer Letter (including the Acceptance Forms).

3.1 Terms of the Exit Offer

The Offeror will make the Exit Offer for the Offer Shares on the following basis:

For each Offer Share: S\$0.16 in cash. The Exit Offer Price is the same as the offer price under the Previous Offer.

The Exit Offer Price shall be applicable to any number of Offer Shares that are tendered in acceptance of the Exit Offer.

The Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (the "**Encumbrances**"), and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive all dividends and other distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

3.2 Conditions

The Delisting and Exit Offer are conditional on:

- (a) the Delisting Resolution being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM to be convened for the Shareholders to vote on the Delisting Resolution (the Directors and Controlling Shareholders are not required to abstain from voting on the Delisting Resolution); and
- (b) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM,

(collectively, the "**Approval of Delisting Resolution Condition**").

The Exit Offer is **not** conditional upon a minimum number of acceptances being received by the Offeror.

Under Rule 1307 of the Listing Manual, all Shareholders (including the Offeror and parties acting in concert with the Offeror who hold Shares) are entitled to vote on the Delisting Resolution.

The Offeror, which owns 417,333,352 Shares as at the Latest Practicable Date, representing approximately 89.57% of the total number of issued Shares, is entitled to and intends to vote all its Shares in favour of the Delisting Resolution at the EGM.

An application was made by the Company to the SGX-ST on 25 March 2014 to seek a waiver (the "**Waiver**") from the requirements to:

- (a) convene its forthcoming annual general meeting ("**AGM**") pursuant to Rule 707(1) of the Listing Manual; and
- (b) issue and despatch its annual report for the financial year ended 31 December 2013 ("**AR2013**") to Shareholders and the SGX-ST at least 14 days before the date of its AGM pursuant to Rule 707(2) of the Listing Manual.

The SGX-ST has in its letter dated 8 April 2014 advised that it has no objection to the Company's application for waiver from compliance with Rule 707(1) of the Listing Manual subject to the following conditions:

- (a) Shareholders' approval of the Delisting being obtained by 30 April 2014 at an EGM to be convened. In the event the Delisting is not approved, the Company must convene the AGM by 31 May 2014 and issue AR2013 no later than 14 days before the AGM;
- (b) the Company convening the AGM by 31 May 2014 subject to approval of the same being obtained from the Accounting and Corporate Regulatory Authority of Singapore;

-
- (c) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Rule 107 of the Listing Manual; and
 - (d) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the Articles of the Company.

The Company is required to comply with Rule 707(2) of the Listing Manual. Hence, the Company must issue AR2013 to Shareholders and the SGX-ST at least 14 days before the date of its AGM.

An application was also made by the Company to the SGX-ST on 26 March 2014 to delist the Company from the Official List of the SGX-ST. The SGX-ST has in its letter dated 8 April 2014 advised that it has no objection to the Delisting, subject to the compliance of Rules 1307 and 1309 of the Listing Manual. However, this is not to be taken as an indication of the merits of the Delisting.

Shareholders are to note that if the Approval of Delisting Resolution Condition is not fulfilled, the Delisting will not proceed, the Company will remain listed on the Official List of the SGX-ST, and the Exit Offer will lapse.

3.3 Warranty

As stated in the Exit Offer Letter, acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted and sold by him as, or on behalf of, the beneficial owner(s) thereof, is fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive all dividends and other distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

3.4 Duration

As stated in the Exit Offer Letter, the Exit Offer is open for acceptance from the date of despatch of the Exit Offer Letter. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances are conditional and if the Delisting Resolution is not passed at the EGM, the Approval of Delisting Resolution Condition will not be fulfilled and the Exit Offer will lapse, and both the Shareholders and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

As stated in the Exit Offer Letter, if the Delisting Resolution is passed by the Shareholders at the EGM, the Exit Offer will continue to be open for acceptance by the Shareholders for at least 14 days after the date of the announcement of the satisfaction of the Approval of Delisting Resolution Condition. Accordingly, the Exit Offer will close at **5:30 p.m. on 14 May 2014** or such later date(s) as may be announced from time to time by or on behalf of the Offeror (i.e. the Closing Date).

4. INFORMATION ON THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT

Please refer to Section 5 of the Circular for information and further disclosure on the Offeror as well as other parties acting in concert with the Offeror.

5. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 7 March 1997 and was listed on the Main Board of the SGX-ST on 9 November 1999. The Company is principally involved in the ownership, management and operation of power plants in the PRC.

Additional information on the Company is set out in **Appendix II** to the Circular.

6. RATIONALE FOR THE DELISTING AND THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY AND THE GROUP

The following section on the rationale for the Delisting and the Offeror's intentions has been extracted from Section 7 of the Circular (which was in turn reproduced from paragraph 5 of the Exit Offer Letter) and reproduced below in italics. Shareholders are advised to read the information carefully.

5. *"Rationale for delisting"*

5.1 *Low trading liquidity and low free float*

The trading liquidity of the Shares on the SGX-ST in the past year has been generally thin. The average daily trading volume of the Shares for the 12-month, six (6)-month, three (3)-month and one (1)-month periods up to and including 21 March 2014, being the last full day of trading in the Shares on the SGX-ST immediately prior to the Joint Announcement Date (the "Last Trading Day") are approximately as follows:

Period prior to the Last Trading Day	Average Daily Trading Volume⁽¹⁾⁽²⁾ (('000))	Total Trading Volume (('000))
<i>Last 12 months</i>	<i>229</i>	<i>57,705</i>
<i>Last six (6) months</i>	<i>261</i>	<i>32,948</i>
<i>Last three (3) months</i>	<i>87</i>	<i>5,424</i>
<i>Last one (1) month</i>	<i>16</i>	<i>313⁽³⁾</i>

Notes:

(1) Source: Bloomberg L.P.

(2) The average daily trading volume is computed based on the total trading volume of the Shares on the SGX-ST, divided by the total number of days on which the SGX-ST is open for trading during the relevant periods.

(3) Of which 283,000 Shares were market acquisitions made by the Offeror.

In addition, as at the Latest Practicable Date, the Offeror owns 417,333,352 Shares representing approximately 89.57% of the total number of issued Shares. This implies a free float of no greater than 10.43% of the total number of issued Shares. The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company.

The Exit Offer will provide an exit option for those Shareholders who wish to realise their entire investment in the Shares but find it difficult to do so as a result of the low trading liquidity of the Shares and low free float of the Shares.

5.2 *Compliance cost of maintaining listing*

In maintaining the Company's listing status, the Company incurs additional compliance and associated costs. The Company will be able to, as a non-listed entity, dispense with costs associated with complying with the SGX-ST listing requirements and other regulatory requirements as well as human resources that have to be committed for such compliance and channel its resources to its business operations.

5.3 *No need for access to capital markets*

A primary reason for companies to maintain a listing on the SGX-ST is to access the Singapore capital markets for funding. The Company is unlikely to require access to the Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain its listing status.

5.4 *Offeror's intentions*

Following the privatisation of the Company, the Offeror intends to undertake a strategic and operational review of the Company's businesses and to evaluate various strategic options, including amongst others, making synergistic acquisition and divesting assets. It is currently the intention of the Offeror to ensure continuity in the operations of the Company and its subsidiaries (the "Group") and to steer the Group to further growth and development. Save as disclosed above, the Offeror does not currently have any intention to make major changes to (a) the business of the Group; (b) the deployment of the fixed assets of the Group; or (c) the employment of the employees of the Group. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves, and which the Offeror regards to be in the interests of the Offeror and/or the Group."

Shareholders are advised to read Section 7 of the Circular and paragraph 5 of the Exit Offer Letter carefully.

7. FINANCIAL ASSESSMENT OF THE EXIT OFFER

In assessing the financial terms of the Exit Offer, we have performed, among other things, the following analysis which we consider to have a significant bearing on our assessment:

- (i) Analysis on the market liquidity of the Company's Shares;
- (ii) Comparison of the Exit Offer Price to historical market prices of the Company's Shares;
- (iii) Comparison of the historical market performance of the Company's Shares to the Straits Times Small Cap Index (the "STI Small Cap");
- (iv) Analysis of the financial performance of the Group;
- (v) Analysis of the net tangible asset value ("NTA") of the Group;
- (vi) Comparison of the Exit Offer with the financial terms and valuation statistics of comparable companies;
- (vii) Comparison of the Exit Offer with the financial terms of recent privatisation of companies listed on the SGX-ST;
- (viii) Analysis of the dividend yield; and
- (ix) Other relevant considerations.

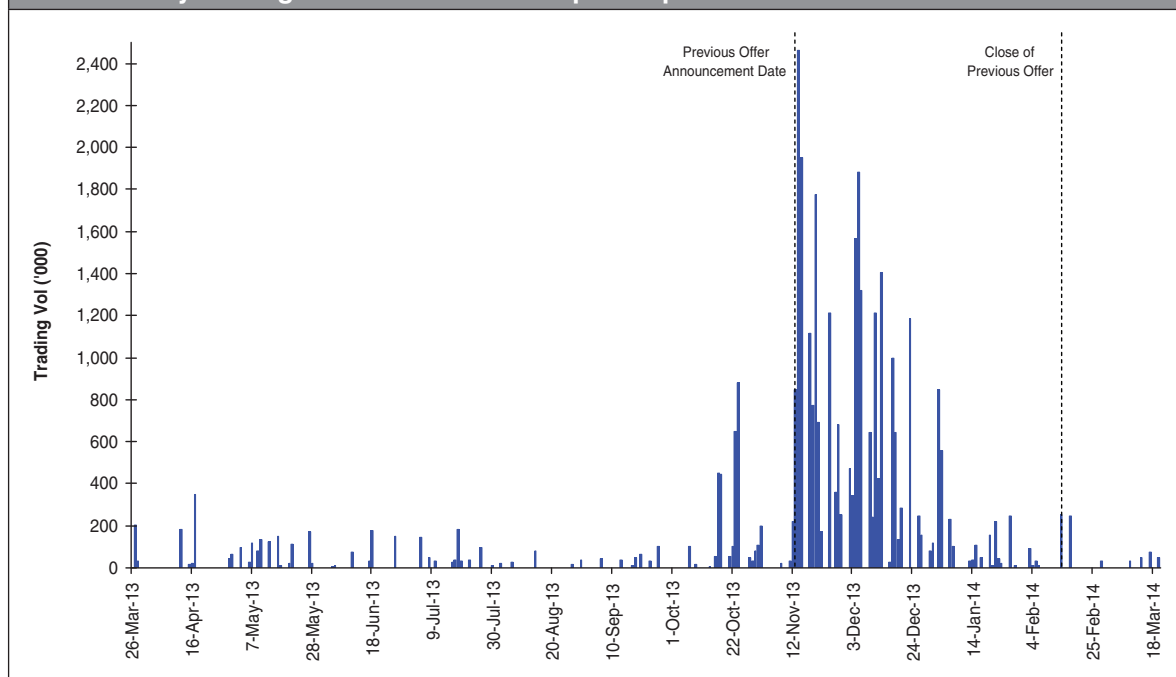
7.1 Liquidity of the Company's Shares

The daily volume of the Shares traded on the SGX-ST for the 12 month period prior to the Joint Announcement Date (24 March 2013 to 24 March 2014) is set out below.

We note that on 13 November 2013, the Previous Offer was made by the Offeror for all Shares in the Company, other than those Shares held by the Company as treasury shares and those Shares held, directly or indirectly, by the Offeror. As at the close of the Previous Offer on 11 February 2014, the Offeror owns in aggregate 416,332,352 Shares, representing approximately 89.36% of the total number of issued Shares.

Since the close of the Previous Offer, the Offeror has made various on-market purchases, pursuant to which the Offeror's shareholding interest in the Company increased to 417,333,352 Shares, representing approximately 89.57% of the total number of issued Shares as at the Latest Practicable Date.

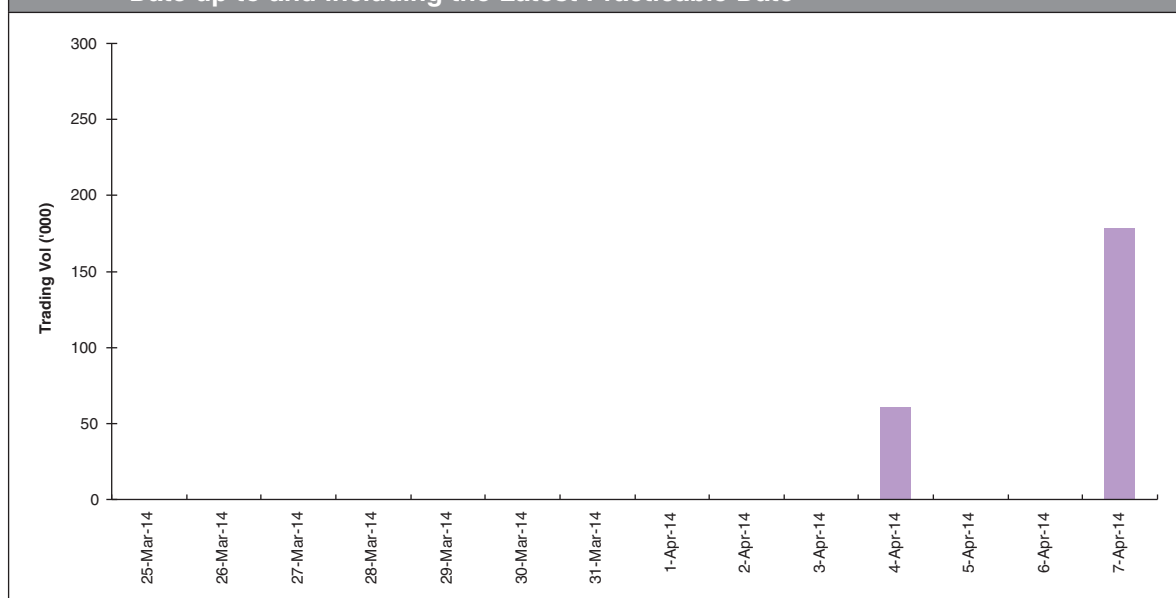
Chart 1: Daily Trading Volume for 12 month period prior to Joint Announcement Date



Source: Bloomberg

The daily volume of the Shares traded on the SGX-ST for the period immediately after the Joint Announcement Date up to and including the Latest Practicable Date (25 March 2014 to 7 April 2014) is set out below.

Chart 2: Daily Trading Volume for period from immediately after the Joint Announcement Date up to and including the Latest Practicable Date



Source: Bloomberg

The trading volume of the Shares on SGX-ST is set out below:

Table 3: Daily Trading Volume and Liquidity of the Shares		
	Average Daily Trading Volume	Approximate % of Affected Free Float⁽²⁾⁽³⁾
Prior to announcement of the Previous Offer		
12-month	382,303	0.18%
6-month	486,719	0.22%
3-month	155,419	0.07%
After the close of the Previous Offer but prior to the Joint Announcement Date		
From the close of the Previous Offer up to and including the Last Trading Day ⁽¹⁾	101,750 ⁽⁴⁾	0.21%
Last Trading Day	75,000	0.15%
After the Joint Announcement Date to Latest Practicable Date⁽⁵⁾		
Market Day immediately after the Joint Announcement Date ⁽⁶⁾	61,000	0.12%
From the Market Day immediately after the Joint Announcement Date up to and including the Latest Practicable Date	120,000	0.25%
Latest Practicable Date	179,000	0.37%

Source: Bloomberg

Notes:

- (1) The last full day of trading on the SGX-ST prior to the Joint Announcement Date (the “**Last Trading Day**”) was 21 March 2014. The Company made the Joint Announcement after market close on 24 March 2014.
- (2) The “Affected Free Float” used to analyse the liquidity of the Company’s shares for the 12-month, 6-month and 3-month period prior to the announcement date of the Previous Offer is the public float (number of shares held by persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders) as at 13 November 2013, being the announcement date of the Previous Offer, which is 217,231,018 Shares.
- (3) The “Affected Free Float” used to analyse liquidity of the Company’s shares for the periods after the close of the Previous Offer up to the Latest Practicable Date is the public float (number of shares held by persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders) as at the Joint Announcement Date, which is 48,828,628 Shares.
- (4) The Offeror had acquired a further 761,000 Shares from the market since the close of the Previous Offer.
- (5) All trades after the Joint Announcement Date to the Latest Practicable Date were market purchases by the Offeror.
- (6) There were no trades done on 25 March 2014, being the market day immediately following the Joint Announcement Date. For analysis purposes, we have used the first market day, 4 April 2014, where the shares were traded following the Joint Announcement Date.

We note the following:

- (i) the average daily trading volume of the Shares was 155,419 (0.07% of the Affected Free Float), 486,719 (0.22% of the Affected Free Float), and 382,303 (0.18% of the Affected Free Float) for the respective 3-month, 6-month and 12-month periods immediately prior to the date of the Previous Offer;
- (ii) following the close of the Previous Offer on 11 February 2014, the Offeror owns in aggregate 416,332,352 Shares, representing approximately 89.36% of the total number of issued Shares. The quantity of free float decreased significantly as a result.
- (iii) the average daily trading volume of the Shares was 101,750 (0.21% of the Affected Free Float) for the period from the close of the Previous Offer to the Last Trading Day. We note that the Offeror had acquired 761,000 Shares during this period;
- (iv) the trading volume of the Shares on 21 March 2014 (being the Last Trading Day) was 75,000 (0.15% of the Affected Free Float);

- (v) the trading volume of the Shares on 4 April 2014, (being the Market Day immediately after the Joint Announcement Date) was 61,000 (0.12% of the Affected Free Float); and
- (vi) the average daily trading volume stood at approximately 120,000 (0.25% of the Affected Free Float) for the period between the Joint Announcement Date up to and including the Latest Practicable Date.

Benchmarking the Liquidity of the Shares with SGX-ST Listed Small Market Capitalisation Companies

Share prices transacted in the equity capital market can be affected by relative liquidity and free float at any given point in time. In analysing the liquidity of the Company's shares, we have given consideration to the liquidity of the Shares as compared with the ten largest companies by market capitalization as at the Last Trading Day of the Straits Times Small Capitalisation Index ("STI Small Cap") (the "Top 10 STI Small Cap Companies") for the 12-month, 6-month, and 3-month periods preceding the announcement date of the Previous Offer and the period between the closing of the Previous Offer to the Last Trading Day.

Table 4: Market Liquidity of the Top 10 STI Small Cap Companies								
Company	Average daily trading volume 12 months prior to Previous Offer		Average daily trading volume 6 months prior to Previous Offer		Average daily trading volume 3 months prior to Previous Offer		Average daily trading volume from close of Previous Offer to Last Trading Day	
	(million)	% of free float	(million)	% of free float	(million)	% of free float	(million)	% of free float
Vard Holdings	7.09	1.35	6.44	1.23	4.71	0.90	3.89	0.74
Ezra Holdings	6.91	1.05	7.78	1.18	11.17	1.70	3.43	0.52
Hyflux	0.96	0.12	0.71	0.09	0.81	0.10	1.00	0.13
Boustead Singapore	0.43	0.16	0.54	0.19	0.39	0.14	0.78	0.28
Keppel T&T	0.15	0.14	0.16	0.15	0.12	0.12	0.14	0.13
United Envirotech	2.65	0.76	1.78	0.51	0.82	0.23	4.60	1.31
Sim Lian Group	0.18	0.08	0.12	0.05	0.10	0.04	0.076	0.03
Sheng Shiong	2.22	0.56	1.53	0.39	1.03	0.26	0.44	0.11
Sarine Technologies	0.21	0.14	0.25	0.16	0.90	0.19	0.21	0.14
Yoma Strategic	15.46	2.32	12.40	1.86	8.34	1.25	3.58	0.54
Maximum		2.32		1.86		1.70		1.31
Minimum		0.08		0.05		0.04		0.03
Average		0.67		0.58		0.49		0.39
Median		0.36		0.29		0.21		0.21
Company		0.18		0.22		0.07		0.21

Source: Bloomberg

The average daily trading volume as a percentage of free float for the 12-month, 6-month, and 3-month periods preceding the Previous Offer for the Top 10 STI Small Cap Companies ranged between 0.08% to 2.32%, 0.05% to 1.86%, and 0.04% to 1.70% for the respective periods.

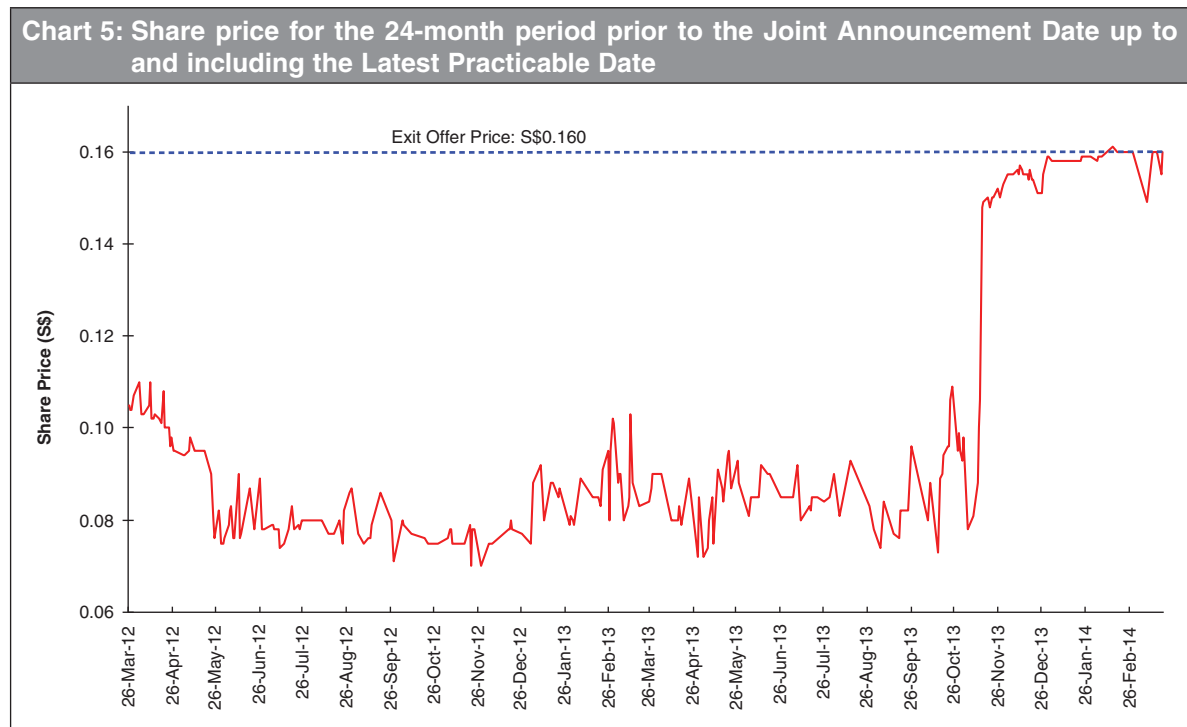
We note that the “average daily trading volume as a percentage of free float” prior to the Previous Offer for the Shares at 0.18%, 0.22% and 0.07% respectively for the 12-month, 6-month and 3-month periods respectively, are lower than the mean and median daily trading volume as a percentage of free float for the Top 10 STI Small Cap Companies.

The “average daily trading volume as a percentage of free float” for the Company from the close of the Previous Offer to the Last Trading Day at 0.21% is lower than the mean and similar to the median daily trading volume as a percentage of free float for the Top 10 STI Small Cap Companies for the same period. However, we note that the quantity of free float of the Shares had decreased significantly following the close of the Previous Offer and most of the trades done were acquisitions made by the Offeror.

The trading liquidity of the Shares on the SGX-ST in the past year has generally been thin. The Exit Offer will provide an exit option for those Shareholders who wish to realise their entire investments in the Shares but find it difficult to do so as a result of the low trading liquidity.

7.2 Share Price Performance

The daily price movement of the Shares for the 24-month period prior to the Joint Announcement Date up to and including the Latest Practicable Date (25 March 2012 to 7 April 2014) is set out below:



Source: Bloomberg

The Offer Price against the volume-weighted average prices (“VWAP”) of the Shares is set out below:

Table 6: Analysis of Offer Price against the VWAP of the Shares

	VWAP ⁽²⁾ (S\$)	Premium / (Discount) of Offer Price to the VWAP per Share (%)	Highest Share Price (S\$)	Lowest Share Price (S\$)
Prior to the Joint Announcement Date				
12-month	0.1223	30.83	0.161	0.072
9-month	0.1437	11.34	0.161	0.073
6-month	0.1458	9.74	0.161	0.073
3-month	0.1567	2.11	0.161	0.149
1-month	0.1581	1.20	0.160	0.149
Last Trading Day ⁽¹⁾	0.1600	0.00	0.155	0.155
After the Joint Announcement Date				
Market Day immediately after the Joint Announcement Date ⁽³⁾	0.1600	0.00	0.1600	0.1590
From the Market Day immediately after the Joint Announcement Date up to and including the Latest Practicable Date	0.1549	3.29	0.1600	0.1500
Latest Practicable Date ⁽⁴⁾	0.1532	4.44	0.1600	0.1500

Source: Bloomberg

Notes:

- (1) The Last Trading Day was 21 March 2014. The Company made the Joint Announcement after market close on 24 March 2014. The closing price on 21 March 2014 is shown instead of VWAP.
- (2) Volume-weighted average price (“VWAP”) for the respective period.
- (3) There were no trades done on the market day immediately after the Joint Announcement Date (25 March 2014). For analysis purposes, we have used the first market day, 4 April 2014, where the Shares were traded following the Joint Announcement Date.
- (4) Latest Practicable Date is 7 April 2014.

We note that the Exit Offer Price of S\$0.160 per Share:

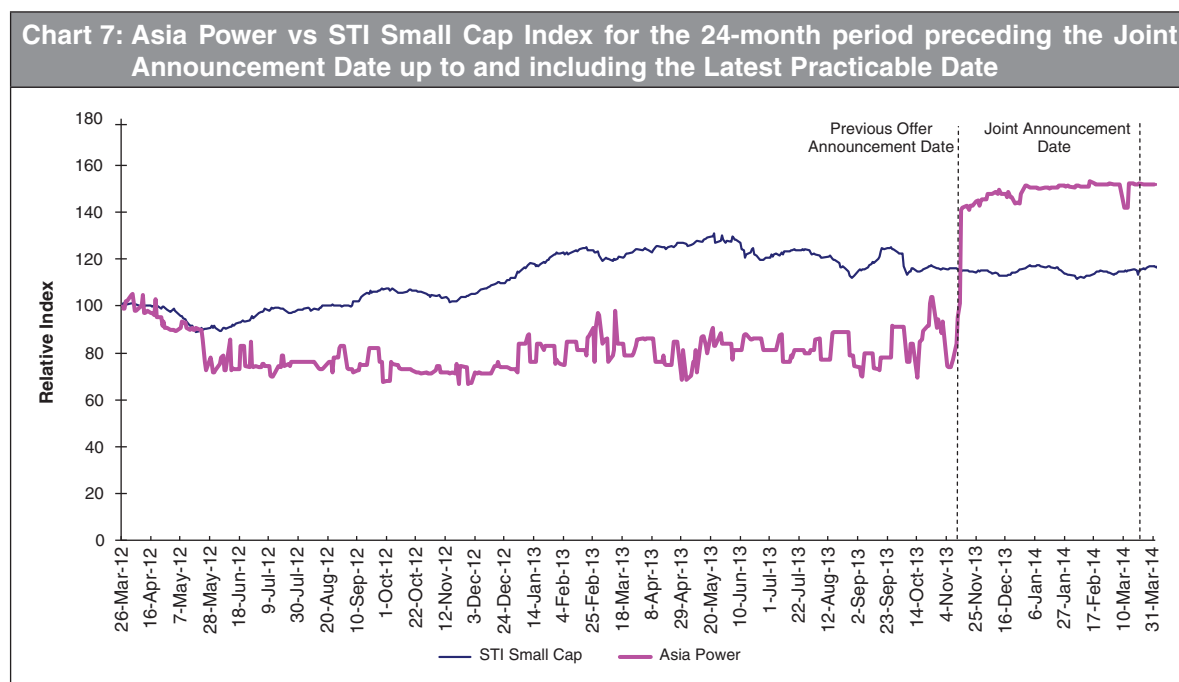
- (i) is mostly higher than the historical prices of the Shares for the 24-month period prior to the Joint Announcement Date up and including the Latest Practicable Date (25 March 2012 to 7 April 2014);
- (ii) represents a premium of approximately 30.8%, 11.3%, 9.7%, 2.1%, and 1.2% to the VWAP of the Shares for the 12-month, 9-month, 6-month, 3-month, and 1-month periods preceding the Joint Announcement Date;
- (iii) represents a discount of 0.6% and a premium of 122.2% to the highest and lowest price of the Shares respectively for the 12-month period preceding the Joint Announcement Date;
- (iv) is equal to the closing price on the Last Trading Day;
- (v) represents a premium of approximately 3.29% to the VWAP of the Shares from 25 March 2014 (being the Market Day immediately after the Joint Announcement Date) up to and including the Latest Practicable Date; and

- (vi) represents a premium of approximately 4.44% to the VWAP of the Shares as at the Latest Practicable Date.

Shareholders should note that the past trading performance of the Shares is not an indication of its future trading performance.

7.3 Share Price Performance Relative to Performance of the STI Small Cap Index

In assessing the market price performance of the Shares vis-à-vis the general performance of the Singapore equity market, we have compared the normalised market price movements of the Shares against the STI Small Cap Index for the 24-month period preceding the Joint Announcement Date up to and including the Latest Practicable Date as set out below:



Source: Bloomberg

We note that for the 24-month period preceding the Joint Announcement Date up to and including the Latest Practicable Date, the Share price has consistently underperformed the STI Small Cap Index prior to the announcement of the Previous Offer. We also note that the Share price of the Company has increased significantly following the announcement of the Previous Offer on 13 November 2013.

7.4 Financial Performance of the Group

A summary of the audited consolidated results of the Group for FY2011, FY2012, and FY2013 as extracted from the announcements made by the Company on the unaudited FY2013 financial results of the Group and the FY2012 annual report are set out below:

Table 8: Summary of the Financial Performance of the Group			
	The Group		
RMB'000	FY2011 Audited	FY2012 Audited	FY2013 Unaudited
Revenue	173,449	155,920	151,893
Gross profit	97,244	86,218	88,375
Profit / (Loss) before tax	41,854	(8,167)	28,636
Profit / (Loss) attributable to equity holders of the Company	10,191	(36,456)	2,789
Basic earnings / (loss) per Share (RMB cents)	2.19	(7.82)	0.60

We note the following:

- (i) Revenue of the Group decreased by approximately 2.6% from RMB155.9 million in FY2012 to RMB151.9 million in FY2013.

This was mainly attributable to a decrease of RMB7.5 million, RMB4.9 million and RMB2.0 million in revenue contribution from JAZ Technology Development (Shenzhen) Co., Ltd (“JAZ”), Xi’an Kaixin Enterprise Co, Ltd and Asia Power (Neijiang) Hydroelectricity Co.,Ltd respectively. The decrease was partially offset by an increase of RMB10.4 million in revenue contribution from Sichuan Anning River Energy Development Co., Ltd..

- (ii) Gross profit of the Group increased by about 2.5% from RMB86.2 million in FY2012 to RMB88.4 million in FY2013.

Cost of sales decreased by RMB6.2 million or approximately 8.9% from RMB69.7 million in FY2012 to RMB63.5 million in FY2013. This was mainly due to a decrease of RMB5.8 million in cost of sales in JAZ which was in tandem with the decreased revenue.

- (iii) Net profit attributable to shareholders increased from a loss of RMB36.5 million to a profit of RMB2.8 million in FY2013

This is due to an increase in the share of profit of associates by approximately 64.9% from RMB2.7 million in FY2012 to RMB4.4 million in FY2013. The increase was mainly due to increased share of profit of RMB2.7 million from Hainan Jinhai Microcredit Co., Ltd., which the Group has 40% equity interest in.

We also note that the management has highlighted in the unaudited interim results of the Group for FY2013 that the outlook for the Group is challenging, as reproduced below:

Extracted from unaudited financial results announcement for financial year ended 31 December 2013:

“Going forward, we expect the outlook of the Group to remain challenging. The Group will continue to focus on its growth strategy by expansion in the renewable energy industry and other investment opportunities present in the PRC to enhance shareholders’ values.”

7.5 Net Tangible Asset Value of the Group

For analysis purposes, we have evaluated the NTA per Share against the Exit Offer Price and closing price of the Shares as at the Latest Practicable Date. The table below sets out the evaluation of the Exit Offer Price against the NTA per Share of the Company:

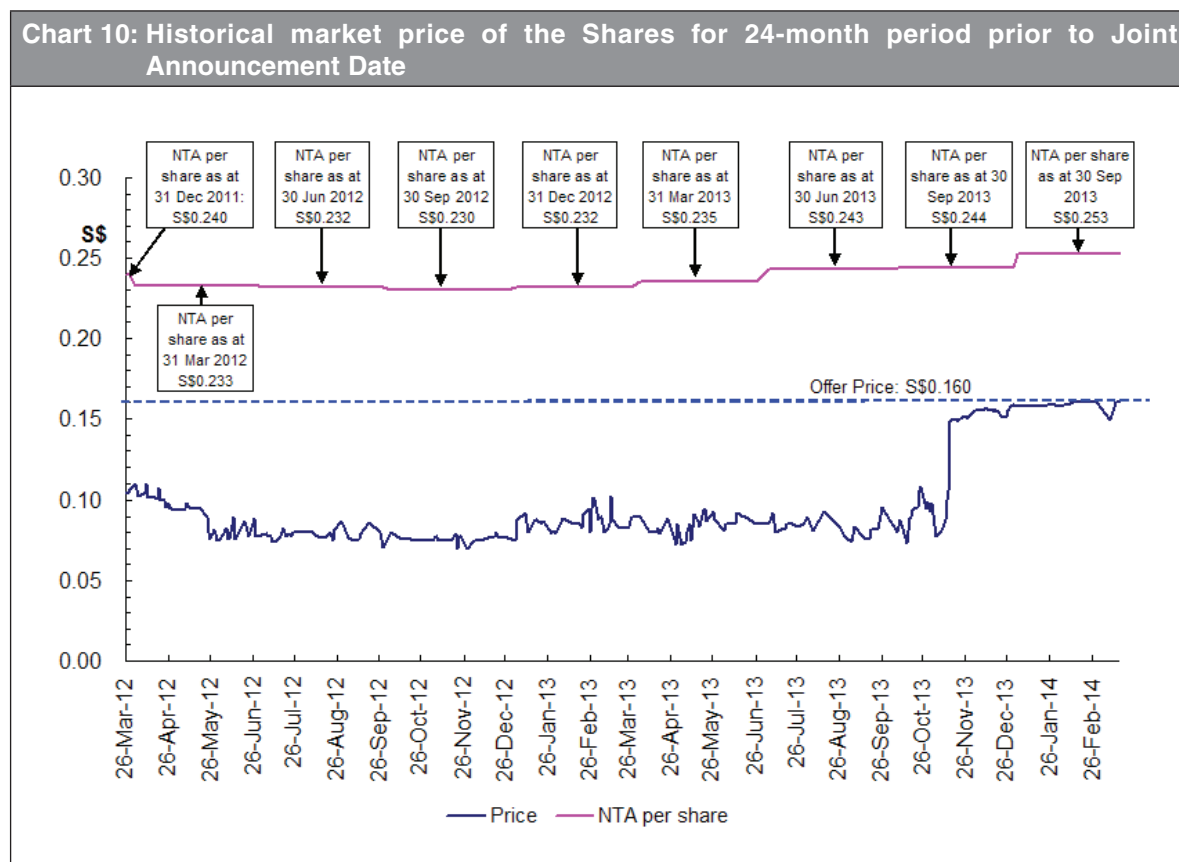
Table 9: Net Tangible Asset			
	Price (S\$)	Unaudited NTA per Share as at 31 December 2013 (S\$) ⁽¹⁾⁽²⁾	Premium/ (Discount) to the NTA per Share (%)
Exit Offer Price	0.160	0.247	(35.22)
Closing price as at the Latest Practicable Date	0.150	0.247	(39.27)

Source: Full year financial statement announcement for the financial year ended 31 December 2013

Notes:

- (1) Based on the average exchange rate for 2013 extracted from Bloomberg at RMB 1: S\$0.2035.
 (2) Based on NTA of RMB 564,431,000 and number of ordinary shares of 465,922,022 as at 31 December 2013.

We have compared the historical market prices of the Company and the Exit Offer Price against the trailing NTA per Share of the Group as announced in their interim and annual results over the 24-month period prior to the Joint Announcement Date.



Source: Bloomberg and the Company's Financial Statement announcements

The non-current assets of the Group comprised mainly of the hydropower plant assets of the Group, which are very specialised assets with little or no market comparables. The Company had previously performed a revaluation of these assets in April 2010 and the valuation amount of the assets based on the income approach was similar to the carrying value of the assets on the balance sheet then.

Due to the factors mentioned above, the management of the Company is of the view that a revaluation of its assets is not necessary and that the carrying value of the assets on the Group's balance sheet is a close estimate of the assets fair value.

We have enquired with the Independent Directors and the management of the Company on whether there are any assets that may be valued at an amount that would be materially different from the amount recorded in the unaudited balance sheet of the Group as at 31 December 2013, including any provision for trade receivables and write down of inventories. The Directors have confirmed to us that, to the best of their knowledge and belief, they are of the opinion that there is no material change in the value of the Group's assets as recorded in the unaudited balance sheet of the Group as at 31 December 2013.

The Directors have confirmed that there are no material acquisitions and disposals of assets by the Group between 31 December 2013 and the Latest Practicable Date and there is no other impending material disposal of the Group's assets.

The Directors have also confirmed that as at the Latest Practicable Date, there were no material contingent liabilities or bad or doubtful debts, which could have a material impact on the unaudited NTA of the Group as at 31 December 2013.

Based on the Company's unaudited consolidated financial statements as at 31 December 2013, the unaudited NTA of the Company is approximately RMB 564.4 million (approximately S\$114.9 million) or RMB 1.211 per share (approximately S\$0.247 per share). We note that the Exit Offer Price represents a discount of approximately 35.2% to the Group's unaudited NTA per Share as at 31 December 2013.

However, we also note that the Share price has consistently traded at a discount of between 34.8% and 70.1% to the trailing NTA per share over the 24-month period up to the Joint Announcement Date. The discount of the Exit Offer Price to the 31 December 2013 NTA per share at 35.2% is close to the low end of this range.

The bulk of the net tangible assets of the Group relate to property, plant and equipment ("PPE") amounting to RMB 598.4 million, which is approximately 106.0% of the net tangible assets of the Group. The PPE comprises mainly building, dam and other structures, and plant and equipment relating to hydro-power generation. Since there is no land within the PPE, there is no potential for appreciation in value of the PPE as a result of land price appreciation.

The Executive Directors of the Company has also confirmed that due to the specialised nature of these assets and the remote location that they are based in, the asset value would not be materially higher than the book values as reflected in the unaudited financial statements.

The Company had commissioned an independent valuation report commissioned as at 31 December 2009 ("Independent Valuation Report"). The appraised value stated in the Independent Valuation Report was not materially different from the net book value as at 31 December 2009. Since then, for audit purposes, the Company has performed an internal annual appraisal of its PPE as at 31 December for each of the years since 2010 using the discounted cash flow approach (the "DCF Analysis"). Based on the DCF Analysis as at 31 December 2013, the appraised value was not materially different from the net book value of the PPE in the Company's balance sheet.

Having reviewed the DCF Analysis and its underlying assumptions, the Board of Directors is of the view that a separate independent valuation is not necessary for this delisting exercise.

Shareholders should note that the computation above is solely for illustration purposes as the NTA of the Group is not necessarily a realisable value given that the assets held by the Group is very specialised and the market value of these assets may vary depending on, amongst others, the prevailing market and economic conditions and whether a buyer can be found for such specialised assets.

7.6 Comparable Companies

For the purposes of our analysis, we have sought to benchmark the Offer Price with comparable companies listed on the SGX-ST. We have done so by generating selected valuation statistics for the Company implied in the financial terms of the Exit Offer and compared them with those companies which, in our opinion and after consultation with the Directors and the management of the Company, are broadly comparable to the Group (the "**Comparable Companies**").

Based on our discussions with the Directors and the management of the Company, we recognise that there is no particular company listed on SGX-ST that we may consider to be directly comparable to the Group in terms of the composition of business activities, market capitalisation, risk profile, geographical spread, and such other relevant criteria. In addition, we wish to highlight that the list of Comparable Companies is by no means exhaustive.

Accordingly, the Comparable Companies may not provide a meaningful basis for valuation comparison. The valuation statistics of the Comparable Companies set out below are based on their last transacted share prices and latest available financial figures as at the Latest Practicable Date:

The following is the list of Comparable Companies listed on SGX-ST, together with a brief description of their respective principal activities.

Table 11: List of SGX-ST listed Comparable Companies	
Company	Description
Gallant Venture (GALV SP Equity)	Gallant Venture Ltd. is an investment holding company. The Company owns and operates industrial parks, supplies telecommunications services, electricity and water and wastewater management services, operates resorts and hotels, and develops real estate.
K-Green Trust (KGT SP Equity)	K-Green Trust invests in "green" infrastructure assets. The trust invests in waste management, water and wastewater treatment, renewable energy, energy efficiency and other initiatives. K-Green invests primarily in Asia, Europe and the Middle East and has contracts to operate in facilities in Singapore.
Koon Holdings (KNH SP Equity)	Koon Holdings Limited is a civil engineering and construction company with operations in Singapore. The Company provides contractor services for civil and drainage engineering, building, shore protection, marine and foundation works. Koon Holdings rents machinery and equipment, and provides tugboats and barges services.
Sembcorp Industries (SCI SP Equity)	Sembcorp Industries Ltd provides utilities and integrated services for industrial sites such as power, gas, steam, water, wastewater treatment and other on-site services. The Company's businesses also include marine & offshore engineering and urban development comprising industrial parks and business, commercial and residential spaces.
Keppel Corporation (KEP SP Equity)	Keppel Corporation Limited's core businesses are offshore and marine, infrastructure, property investment and development, telecommunications and transportation, energy, and engineering.

Source: Bloomberg

In our assessment of the Exit Offer Price, we have considered the following valuation statistics:

- Trailing twelve months Price to Earnings ratio ("**T12M PER**") is computed based upon the trailing twelve month period ending on the most recent quarter for which financial results have been published. The PER is the ratio of market capitalisation relative to its profit after tax attributable to shareholders of the company ("**NPAT**").
- Trailing twelve months Enterprise Value / Earnings before Interest, Tax, Depreciation and Amortisation ratio ("**T12M EV/EBITDA**") is computed based upon the trailing 12 month period ending on the most recent quarter for which financial results have been published. Enterprise Value' is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debts less its cash and cash equivalents.
- Trailing twelve months Price to Net tangible asset value ratio ("**T12M P/NTA**") refers to ratio of a company's market capitalisation divided by its consolidated net tangible assets, which is the total assets of the company less its intangible assets (such as goodwill, patents and trademarks) and total liabilities.

The valuation statistics of the Comparable Companies set out below are based on their closing prices on the Latest Practicable Date while those of the Company are as implied in the financial terms of the Exit Offer. The comparison of valuation ratios as set out below are affected by differences in the accounting policies of each of the respective companies and our analysis has not been adjusted for such differences.

Table 12: Comparison of Valuation Ratios of Comparable Companies

Company	Market Capitalisation⁽¹⁾ (S\$m)	T12M Enterprise Value (S\$m)	T12M PER (times)	T12M EV/ EBITDA (times)	T12M P/ NTA (times)
Gallant Venture	1,423	4,002	30.0	23.0	1.9
K-Green Trust	658	615	46.4	40.8	1.0
Koon Holdings	32	75	n.m	15.1	0.7
Sembcorp Industries	9,559	10,502	11.7	7.9	1.9
Keppel Corporation	19,815	25,338	10.7	13.5	2.1
High			46.4	40.8	2.1
Low			10.7	7.9	0.7
Mean			24.7	20.1	1.5
Median			20.8	15.1	1.9
Company (implied by the Exit Offer Price)	75⁽²⁾	133	n.m.⁽³⁾	7.6	0.6⁽⁴⁾

Source: Bloomberg

Notes:

- (1) As at the Latest Practicable Date.
- (2) Based on the Exit Offer Price of S\$0.160 and 465,922,022 Shares in issue as at the Latest Practicable Date.
- (3) PER is not meaningful as the profit after tax less minority interest of the Company is small.
- (4) Based on Exit Offer Price of S\$0.160 and NTA per Share of S\$0.247 as at 31 December 2013

We note the following:

- (i) the EV/EBITDA multiple of the Company at 7.6 times as implied by the Exit Offer Price is below the range of the EV/EBITDA of the Comparable Companies.
- (ii) the P/NTA ratio of the Company at 0.6 times as implied by the Exit Offer Price is below the range of P/NTA of the Comparable Companies.

We wish to highlight to the Independent Directors that there is no company listed on the SGX-ST which may be considered closely similar to the Group in terms of, *inter alia*, market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial performance, future prospects, operating and financial leverage, liquidity, risk profile and such other relevant criteria. **As such, any comparison made herein is necessarily limited and serves only as an illustrative guide.**

7.7 Comparison with past voluntary delistings and other past successful privatisation transactions via general offers or scheme of arrangements in Singapore

In reviewing the reasonableness of the Exit Offer, we have compared the valuation statistics implied in the Exit Offer vis-à-vis those in (i) voluntary delistings, and (ii) other successful privatisation transactions whether by way of scheme of arrangement under Section 210 of the Companies Act or general offer under the Takeover Code, where the intention of the offeror is to acquire 100% control of the target company, which were announced between 1 January 2013 and the Latest Practicable Date (the “**Precedent Voluntary Delisting Transactions**” and the “**Precedent Other Privatisation Transactions**” respectively).

In making the comparison herein, please note that the Group may not be directly comparable to the companies shown in Table 12 and Table 13 in terms of business activities, geographical markets, risks, size, market capitalisation, track record, financial performance and future prospects and other relevant criteria. Hence, the comparison below merely serves as a general guide as to the premium/(discount) in connection with past voluntary delistings and other successful privatisation transactions of companies listed on the SGX-ST.

Table 12 and 13 have been compiled from publicly available information and serves only as a guide as to the premiums paid or discounts given, if any, in connection with privatisation of companies listed on the SGX-ST without regard to their specific industry characteristics or other considerations. Each privatisation transaction must be judged on its own commercial and financial merits. The premium that any offeror is prepared to pay in any particular privatisation transaction depends on various factors including but not limited to the prevailing market conditions, the attractiveness and profile of the target company's underlying business and assets, the size of consideration, the existing level of control in the target company, the level of control desired and general economic and business risks. In addition, we wish to highlight that the lists are by no means exhaustive.

Table 13: Precedent Voluntary Delisting Transactions						
Company	Announcement Date	Offer price as a premium over / (discount to) (%)				T12M P/NTA ⁽²⁾ (times)
		Closing share price prior to Announcement Date	1-month VWAP prior to Announcement Date	3-month VWAP prior to Announcement Date	6-month VWAP prior to Announcement Date	
Hup Soon Global Limited ⁽¹⁾	8-Feb-13	0.0	(3.0)	1.0	(3.8)	0.5
Pan Pacific Hotels	10-May-13	9.0	8.2	6.1	8.1	1.0
China Animal Healthcare Limited ⁽³⁾	22-May-13	27.7	30.8	31.4	22.6	1.9
Synear Food Holdings Limited	15-Oct-12	10.1	20.8	31.0	37.8	0.4
Armstrong Industrial	5-Jul-13	5.9	14.0	17.0	21.1	2.0
Superior Multi-Packaging	6-Sep-13	0.0	0.5	10.8	12.8	0.7
Consciencefood Holdings	28-Sep-13	23.5	23.3	18.0	13.2	0.9
Devotion Energy	7-Oct-13	23.4	24.2	25.0	34.8	0.8
High		27.7	30.8	31.4	37.8	2.0
Low		0.0	(3.0)	1.0	(3.8)	0.4
Mean		12.5	14.9	17.5	18.3	1.0
Median		9.6	17.4	17.5	17.2	0.8
Company (Implied by the Exit Offer Price)		0.0	1.2	1.4	9.7	0.6

Source: SGX-ST announcements, offer documents, circulars to shareholders in relation to the respective transactions and Bloomberg.

Notes:

- (1) The voluntary delisting of Hup Soon Global was announced on 8 February 2013. However, prior to that Hup Soon Global was the subject of a take-over that was announced on 26 July 2012. The exit offer price is the same of the offer price made for the take-over. As such, the analysis is based on prices prior to 26 July 2012.
- (2) The price to net tangible asset ("P/NTA") ratio is based on the exit offer price and latest available net tangible assets or revalued net tangible assets as at the announcement date of the respective voluntary delisting transactions.
- (3) We note that for China Animal Healthcare the voluntary delisting is not a privatisation exercise as the Company is still listed on the Hong Kong Stock Exchange. Shares of shareholders who did not accept the exit offer were automatically transferred to the Hong Kong branch register, and thereafter were able to trade their shares on the Hong Kong Stock Exchange.

We note the following:

- (i) the Exit Offer Price is equal to the closing Share price of the Company prior to the Joint Announcement Date, and this is within the range but below the mean and median premiums of the Precedent Voluntary Delisting Transactions;
- (ii) the Exit Offer Price represents a premium of 1.2%, 1.4% and 9.7% over the 1-month, 3-month and 6-month VWAP of the Company prior to the Joint Announcement Date, and this is within the range but below the mean and median premiums of the Precedent Voluntary Delisting Transactions;
- (iii) we note that the Share price of the Company has increased significantly following the announcement of the Previous Offer on 13 November 2013; and
- (iv) the P/NTA ratio at 0.6 times as implied by the Exit Offer Price is within the range but lower than the mean and median P/NTA ratios of the Precedent Voluntary Delisting Transactions.

Table 14: Precedent Other Privatisation Transactions

Company	Transaction Type ⁽¹⁾	Ann. Date	% Premium / (Discount) of Offer Price to				T12m P/NTA (times)
			LTP	1 mth VWAP	3 mth VWAP	6 mth VWAP	
PCA Technology Ltd	VGO	1-Feb-13	11.1	1.4	13.5	20.9	0.8
WBL Corporation	MGO	9-May-13	28.9	27.6	25.5	28.9	0.9
Tsit Wing International	MGO	11-Jun-13	36.7	36.7	36.2	30.9	1.1
Guthrie GTS Ltd	VGO	21-Jun-13	21.4	21.9	19.7	20.2	0.8
Food Junction Holdings	VGO	24-Jun-13	40.1	37.8	37.1	33.5	1.8
Viz Branz	MGO	5-Jul-13	15.0	17.9	17.4	17.4	2.4
Berger International	VGO	21-Aug-13	78.6	67.8	86.6	95.3	1.7
People's Food Holdings	VGO	19-Oct-13	2.6	4.2	10.0	(6.4)	1.2
Superbowl	VGO	7-Oct-13	15.4	34.9	41.0	45.0	0.6
High			78.6	67.8	86.6	95.3	2.4
Low			2.6	1.4	10.0	(6.4)	0.6
Mean			27.8	27.8	31.9	31.7	1.2
Median			21.4	27.6	25.5	28.9	1.1
Company (Implied by the Exit Offer Price)			0.0	1.2	1.4	9.7	0.6

Source: SGX-ST announcements, offer documents, circulars to shareholders in relation to the respective transactions and Bloomberg.

Note:

- (1) The transactions are classified into Voluntary General Offer "VGO" or Mandatory General Offer "MGO"

We note the following:

- (i) the Exit Offer Price is equal to the closing Share price of the Company prior to the Joint Announcement Date, and is below the range of premiums of the Precedent Other Privatisation Transactions;
- (ii) the Exit Offer Price represents a premium of 1.2% and 1.4% over the 1-month and 3-month VWAP of the Company prior to the Joint Announcement Date respectively, which is below the range of premiums of the Precedent Other Privatisation Transactions;
- (iii) the Exit Offer Price represent a premium of 9.7% over the 6-month VWAP of the Company prior to the Joint Announcement Date respectively, which is within the range, but lower than the mean and median premiums of the Precedent Other Privatisation Transactions;
- (iv) we note that the Share price of the Company has increased significantly following the announcement of the Previous Offer on 13 November 2013; and
- (v) the P/NTA ratio at 0.6 times as implied by the Exit Offer Price is within the range, but lower than the mean and median P/NTA ratios of the Precedent Other Privatisation Transactions.

7.8 Past Dividend Track Record of the Company

We wish to highlight that the Company has not paid any dividend in the last 3 financial years. The Directors have confirmed to us that the Company does not have a fixed dividend policy. Given the fact that the Company does not have a history of paying dividends, this may not be a material factor in the overall consideration of the Exit Offer.

7.9 Other Relevant Considerations

We wish to highlight the following, which should be considered, together with the other comments and issues raised in this letter and the contents of the Circular.

7.9.1 Control of the Company

As at the Latest Practicable Date, the Offeror owns 417,333,352 Shares representing approximately 89.57% of the total number of issued Shares, which is higher than the 75% of the total number of issued Shares (excluding treasury shares) required for the approval of the Delisting Resolution.

As at the Latest Practicable Date, based on publicly available information, apart from the Offeror, there is no other substantial Shareholder.

Unless the Delisting Resolution is voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM, the Delisting Resolution is assured of being passed at the EGM.

7.9.2 Compulsory Acquisition

As stated in the Exit Offer Letter, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.

Please refer to paragraph 6 of the Exit Offer Letter for details on, *inter alia*, the rights of the Offeror and Shareholders under Section 215 of the Companies Act.

7.9.3 Implications of Delisting for Shareholders

Shareholders should note that should the Delisting Resolution be approved, the Company will be delisted and Shareholders who did not accept the Exit Offer will be holding shares in an unlisted company.

Shareholders are advised to read Section 4 of the Circular which sets out the implications of the Delisting to Shareholders who do not accept the Exit Offer.

7.9.4 No alternative offer

There is no publicly available evidence of any alternative offer for the Shares or the Company from any third party. The Directors have confirmed that, as at the Latest Practicable Date, apart from the Exit Offer proposed by the Offeror, no competing offer or an enhancement or revision of the Exit Offer has been received.

The possibility of any alternate take-over would be remote given that the Offeror already owns 89.57% of the total number of issued Shares as at the Latest Practicable Date.

Shareholders should also note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Exit Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Exit Offer.

8. SUMMARY OF ANALYSIS

In arriving at our recommendation in respect of the Exit Offer, we have taken into account the rationale for the Delisting as set out in Section 6 above and the factors set out in Section 7 above. The key considerations are summarised below. Shareholders should be advised to read the following in conjunction with, and in the context of, the full text of this letter and the Circular.

Market liquidity of the Shares

- (a) the “average daily trading volume as a percentage of free float” prior to the Previous Offer for the Shares at 0.18%, 0.22% and 0.07% respectively for the 12-month, 6-month and 3-month periods respectively, are lower than the mean and median daily trading volume as a percentage of free float for the Top 10 STI Small Cap Companies;
- (b) the “average daily trading volume as a percentage of free float” for the Company from the close of the Previous Offer to the Last Trading Day at 0.21% is lower than the mean and similar to the median daily trading volume as a percentage of free float for the Top 10 STI Small Cap Companies for the same period. We note that the quantity of free float of the Shares had decreased significantly following the close of the Previous Offer and part of the trades done were market acquisitions made by the Offeror;
- (c) the trading liquidity of the Shares on the SGX-ST in the past year has generally been thin. The Exit Offer will provide an exit option for those Shareholders who wish to realise their entire investments in the Shares but find it difficult to do so as a result of the low trading liquidity;

Share Price Performance

- (d) the Exit Offer Price represents a premium of approximately 30.8%, 11.3%, 9.7%, 2.1%, and 1.2% to the VWAP of the Shares for the 12-month, 9-month, 6-month, 3-month, and 1-month periods preceding the Joint Announcement Date;
- (e) the Exit Offer Price represents a discount of 0.6% and a premium of 122.2% to the highest and lowest price of the Shares respectively for the 12-month period preceding the Joint Announcement Date;

Financial Performance of the Group

- (f) revenue of the Group had decreased by approximately 2.6% from RMB155.9 million in FY2012 to RMB 151.9 million in FY2013, while net profit attributable to shareholders increased from a loss of RMB 36.5 million in FY2012 to a profit of RMB 2.79 million in FY2013, mainly due to an increase in the share of profit of associates;
- (g) based on the recent outlook statement made by the Company, we have inferred that the Group will continue to face challenging business environment and uncertainties moving forward;

NTA of the Group

- (h) although the Exit Offer Price represents a discount of approximately 35.2% to the Group's unaudited NTA per Share as at 31 December 2013. The Share price has consistently traded at a discount of between 34.8% and 70.1% to the trailing NTA per Share over the 24-month period up to the Joint Announcement Date. The discount of the Exit Offer Price to the 31 December 2013 NTA per Share at 35.2% is close to the low end of the range;
- (i) the NTA of the Group is not necessarily a realisable value given that the assets held by the Group is very specialised and the market value of these assets may vary depending on, amongst others, the prevailing market and economic conditions and whether a buyer can be found for such specialised assets;

Comparison with Comparable Companies

- (j) the EV/EBITDA multiple of the Company at 7.6 times as implied by the Exit Offer Price is below the range of the EV/EBITDA of the Comparable Companies;
- (k) the P/NTA ratio of the Company at 0.6 times as implied by the Exit Offer Price is below the range of P/NTA of the Comparable Companies;
- (l) we wish to highlight that there is no company listed on the SGX-ST which may be considered closely similar to the Group in terms of, *inter alia*, market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial performance, future prospects, operating and financial leverage, liquidity, risk profile and such other relevant criteria. As such, any comparison made herein is necessarily limited and serves only as an illustrative guide.

Comparison with Precedent Voluntary Delisting Transactions on the SGX-ST

- (m) the Exit Offer Price is equal to the closing Share price of the Company prior to the Joint Announcement Date, and this is within the range but below the mean and median premiums of the Precedent Voluntary Delisting Transactions;
- (n) the Exit Offer Price represents a premium of 1.2%, 1.4% and 9.7% over the 1-month, 3-month and 6-month VWAP of the Company prior to the Joint Announcement Date, and this is within the range but below the mean and median premiums of the Precedent Voluntary Delisting Transactions;
- (o) we note that the Share price of the Company has increased significantly following the announcement of the Previous Offer on 13 November 2013;
- (p) the P/NTA ratio at 0.6 times as implied by the Exit Offer Price is within the range but lower than the mean and median P/NTA ratios of the Precedent Voluntary Delisting Transactions;

Comparison with Precedent Other Privatisation Transactions on the SGX-ST

- (q) the Exit Offer Price is equal to the closing Share price of the Company prior to the Joint Announcement Date, and is below the range of premiums of the Precedent Other Privatisation Transactions;
- (r) the Exit Offer Price represents a premium of 1.2% and 1.4% over the 1-month and 3-month VWAP of the Company prior to the Joint Announcement Date respectively, which is below the range of premiums of the Precedent Other Privatisation Transactions;
- (s) the Exit Offer Price represent a premium of 9.7% over the 6-month VWAP of the Company prior to the Joint Announcement Date respectively, which is within the range, but lower than the mean and median premiums of the Precedent Other Privatisation Transactions;
- (t) we note that the Share price of the Company has increased significantly following the announcement of the Previous Offer on 13 November 2013; and
- (u) the P/NTA ratio at 0.6x as implied by the Exit Offer Price is within the range, but lower than the mean and median P/NTA ratios of the Precedent Other Privatisation Transactions.

Other relevant considerations

- (v) as at the Latest Practicable Date, the Offeror owns 89.57% of the total number of issued Shares, higher than the 75% of the total number of issued Shares (excluding treasury shares) required for the approval of the Delisting Resolution. Unless the Delisting Resolution is voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM, the Delisting Resolution is assured of being passed at the EGM;
- (w) there are adverse implications of Delisting for Shareholders who do not accept the Exit Offer and the Delisting Resolution is passed;
- (x) the Offeror intends to delist the Company from SGX-ST and, when entitled, to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire, at the Exit Offer Price, all the Shares held by Shareholders who have not accepted the Exit Offer; and
- (y) as at the Latest Practicable Date, there is no publicly available evidence of any alternative offer for the Shares or the Company from any third party.

9. RECOMMENDATION AND CONCLUSION

Having carefully considered the information available to us, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and based on the factors set out above, and subject to the qualifications and assumptions made herein, from a financial point of view, we are of the opinion that the financial terms of the Exit Offer, on balance, are fair and reasonable and not prejudicial to the interest of the Shareholders. Accordingly, our recommendation to the Independent Directors of the Company in respect of the Exit Offer is that they should recommend the Shareholders to VOTE IN FAVOUR of the Delisting Resolution at the EGM and ACCEPT the Exit Offer to realise their entire investment in the Company.

Shareholders should note that unless the Delisting Resolution is voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM, the Delisting Resolution will be passed at the EGM.

Shareholders may wish to sell their Shares in the open market if they are able to obtain a price higher than the Offer Price net of related expense (such as brokerage and trading costs).

Shareholders who wish to retain all or part of their investment in the Shares are advised to take into consideration the implications of holding shares in an unlisted company as set out in Section 4 of the Circular in the event that the Delisting Resolution is passed at the EGM.

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his broker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

Shareholders should note that the trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice of Stirling Coleman on the Exit Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of Stirling Coleman's review and also, such advice, if given, would not fall within Stirling Coleman's terms of reference in connection with the Exit Offer.

This letter (for inclusion in the Circular) is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the Exit Offer. The recommendation made by the Independent Directors to the Shareholders remains the responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
STIRLING COLEMAN CAPITAL LIMITED

LOO NGAN SENG
MANAGING DIRECTOR
CORPORATE FINANCE ADVISORY

YAP YEONG KEEN
DIRECTOR
CORPORATE FINANCE ADVISORY

APPENDIX II

ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr. Xue Liang	Unit 26E, Block B, Shimao Yayuan, No. 2 East Shimao, Bingha Road, Haikou City, Hainan Province, 570208 PRC	Executive Chairman and Chief Executive Officer
Mr. Wang Daxi	13B, Building A, Jinxiu Garden 3, Huaqiaocheng, Shenzhen, PRC	Executive Director
Mr. Li Tianfei	No 267 Da Cheng Jie Nan Gang District, Heilongjiang, PRC	Non-Executive Director
Mr. Ng Fook Ai, Victor	21A Fernhill Road Singapore 259154	Non-Executive and Independent Director
Mr. Joseph He Jun	971 Bukit Timah Road, #07-23, The Floridian, Singapore 589647	Non-Executive and Independent Director
Mr. Xu Jianping	2 nd Floor No. 93 Taojin East Road, Yuexiu, Guangzhou, PRC	Non-Executive and Independent Director

2. REGISTERED OFFICE

The registered office of the Company is at 24 Raffles Place, #27-03, Clifford Centre, Singapore 048621.

3. PRINCIPAL ACTIVITIES

The Company was incorporated under the laws of Singapore on 7 March 1997 and was listed on the Main Board of the SGX-ST on 9 November 1999. The Company is principally involved in the ownership, management and operation of power plants in the PRC.

4. SHARE CAPITAL OF THE COMPANY

4.1 Issued Share Capital

As at the Latest Practicable Date, the Company has 465,922,022 Shares. The Company does not hold any treasury shares and does not have any other class of share capital as at the Latest Practicable Date.

4.2 Rights in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Memorandum and Articles, which are available for inspection at the Company's registered office at 24 Raffles Place, #27-03, Clifford Centre, Singapore 048621. The relevant provisions have been extracted from the Articles and reproduced in **Appendix III** to this Circular. Capitalised terms and expressions not defined below have the meanings ascribed to them in the Articles and/or the Companies Act.

4.3 New Issues

As at the Latest Practicable Date, no new Shares were issued since 31 December 2013.

4.4 Options

There are no other outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares, as at the Latest Practicable Date.

4.5 Pre-Emption

There is no restriction in the memorandum or articles of association of the Company on the right to transfer any Shares, which has the effect of requiring the holders of the Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

5. FINANCIAL INFORMATION

5.1 Consolidated Income Statements

A summary of the audited consolidated income statements of the Group for FY2010, FY2011, FY2012 and the unaudited consolidated income statements of the Group for FY2013 is set forth below. This summary is extracted from, and should be read together with, the annual reports and the audited financial statements of the Group for FY2010, FY2011 and FY2012 as well as the unaudited financial statements of the Group for FY2013, and the respective accompanying notes, copies of which are available for inspection at the Company's registered office at 24 Raffles Place, #27-03, Clifford Centre, Singapore 048621.

RMB'000	Audited FY2010	Audited FY2011	Audited FY2012	Unaudited FY2013
Revenue	599,416	173,449	155,920	151,893
Cost of sales	(464,342)	(76,205)	(69,702)	(63,518)
Gross profit	135,074	97,244	86,218	88,375
Other gain	118,453	4,597	334	652
Other operating income	14,615	12,644	18,708	7,303
Administrative expenses	(104,139)	(41,660)	(38,264)	(36,313)
Other operating expenses	(465)	(5,032)	(50,700)	(12,565)
Finance costs	(17,681)	(28,199)	(27,139)	(23,228)
Share of profit of associates	1,908	2,260	2,676	4,412
(Loss) Profit before tax	147,765	41,854	(8,167)	28,636
Income tax expense	(13,968)	(9,521)	(9,715)	(9,939)
(Loss) Profit for the year, representing total comprehensive income for the year	133,797	32,333	(17,882)	18,697
Attributable to:				
Owners of the Company	98,128	10,191	(36,456)	2,789
Non-controlling interests	35,669	22,142	18,574	15,908
	133,797	32,333	(17,882)	18,697
Earnings per Share (RMB cents)				
Basic	21.07	2.19	(7.82)	0.60
Diluted	21.05	2.19	(7.82)	0.60
Dividends per Share (RMB cents)	4.70	—	—	—

5.2 Balance Sheet

A summary of the audited consolidated balance sheet of the Group for FY2012 and the unaudited consolidated balance sheet of the Group for FY2013 is set out below. This summary is extracted from, and should be read together with, the annual report and the audited financial statements of the Group for FY2012, the unaudited financial statements of the Group for FY2013, and the respective accompanying notes, copies of which are available for inspection at the Company's registered office at 24 Raffles Place, #27-03, Clifford Centre, Singapore 048621.

RMB'000	Audited As at 31 December 2012	Unaudited As at 31 December 2013
Current assets	307,299	333,069
Non-current assets	894,481	855,214
Total assets	1,201,780	1,188,283
Current liabilities	175,300	181,598
Non-current liabilities	253,589	223,307
Total liabilities	428,889	404,905
NET ASSETS	772,891	783,378
Share capital	307,090	307,090
Reserves	346,404	348,403
Non-controlling interests	119,397	127,885
TOTAL EQUITY	772,891	783,378

5.3 Consolidated NTA per Share

The Group's consolidated NTA based on the unaudited consolidated financial statements of the Group for FY2013 is RMB564,431,000 (being total assets less total liabilities, non-controlling interest, goodwill and other intangible asset). Accordingly, the consolidated NTA per Share of the Group is RMB1.2114 (equivalent to S\$0.247 based on the average exchange rate of RMB1.00 to S\$0.2035 for 2013). As at the Latest Practicable Date, the Directors are not aware of any material changes which may affect the above stated consolidated NTA per Share.

5.4 Significant Accounting Policies and Changes

Save as disclosed in the notes to the audited consolidated financial statements of the Group for FY2012 attached to the annual report of the Company for FY2012 and the notes to the unaudited consolidated financial statements of the Group for FY2013 which are available for inspection at the registered office of the Company at 24 Raffles Place, #27-03, Clifford Centre, Singapore 048621:

- (a) there were no significant accounting policies or any matter from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group; and
- (b) there was no change in the accounting policies of the Group which will cause the financial statements of the Group not to be comparable to a material extent.

5.5 Material Changes in Financial Position

Save as set out in publicly available information on the Group (including but not limited to the announcement of the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2013), as at the Latest Practicable Date, there has been no known material change in the financial position of the Group since 31 December 2012, the date of the Group's last published audited financial statements.

6. DISCLOSURE OF INTERESTS

6.1 Shareholdings

- (a) The Company does not have any direct or deemed interest in (i) any shares of the Offeror or (ii) any Convertible Securities, Warrants, Options or Derivatives in respect of any shares of the Offeror, as at the Latest Practicable Date.
- (b) The Company has not dealt for value in (i) any shares of the Offeror or (ii) any Convertible Securities, Warrants, Options or Derivatives in respect of any shares of the Offeror during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.
- (c) None of the Directors has any direct or deemed interest in any (i) Shares or (ii) Convertible Securities, Warrants, Options or Derivatives in respect of any Shares, as at the Latest Practicable Date.
- (d) None of the Directors has dealt for value in any (i) Shares and (ii) Convertible Securities, Warrants, Options or Derivatives in respect of any Shares during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.
- (e) None of the Directors has any direct or deemed interest in any (i) shares of the Offeror or (ii) Convertible Securities, Warrants, Options or Derivatives in respect of any shares of the Offeror, as at the Latest Practicable Date.
- (f) None of the Directors has dealt for value in any (i) shares of the Offeror and (ii) Convertible Securities, Warrants, Options or Derivatives in respect of any shares of the Offeror during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.
- (g) None of IFA, its related corporations or any funds whose investments are managed by IFA on a discretionary basis owns or controls any (i) Shares or (ii) Convertible Securities, Warrants, Options or Derivatives in respect of any Shares as at the Latest Practicable Date.
- (h) None of IFA, its related corporations or any funds whose investments are managed by IFA on a discretionary basis has dealt for value in any (i) Shares or (ii) Convertible Securities, Warrants, Options or Derivatives in respect of any Shares during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

6.2 Other Disclosures

- (a) There are no service contracts between any of the Directors or proposed directors with the Company or its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation. There are no such service contracts entered into or amended by the Company or its subsidiaries during the period commencing six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.
- (b) It is not proposed that any payment or other benefit be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Exit Offer.
- (c) There are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Exit Offer.

6.3 Material Contract

None of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror as at the Latest Practicable Date.

7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period commencing three (3) years prior to the Joint Announcement Date and ending on the Latest Practicable Date.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any material litigation as plaintiff or defendant which might materially and adversely affect its financial position and the Directors are not aware of any proceedings (pending or threatened) against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

9. MATERIAL CHANGE IN INFORMATION

Save as disclosed in this Circular and save for information relating to the Company, the Group or the Exit Offer and the Delisting that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Joint Announcement Date and ending on the Latest Practicable Date.

APPENDIX III

PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING

“ISSUE OF SHARES

4. *Subject to the Statutes, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:*
- (a) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting;*
 - (b) no shares shall be issued at a discount except in accordance with the Statutes;*
 - (c) (subject to any direction to the contrary that may be given by the Company in a General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply; and*
 - (d) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.*
5. (A) *In the event of preference shares being issued, the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.*
- (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

VARIATION OF RIGHTS

6. (A) *Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting, all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat*

shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting consent in writing if obtained from the holders of three-quarter in nominal value of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

- (B) The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned Provided Always that where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the General Meeting, shall be as valid and effectual as a special resolution carried at the General Meeting.*
- (C) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

ALTERATION OF SHARE CAPITAL

- 7. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.*
- 8. (A) Subject to any direction to the contrary that may be given by the Company in a General Meeting or except as permitted under the Stock Exchange of Singapore Limited listing rules, all the new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of share offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).*
 - (B) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.*
- 9. The Company may by Ordinary Resolution:*
 - (A) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;*

- (B) *cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;*
 - (a) *sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or*
 - (b) *subject to the provisions of the Statutes, convert any class of shares into any other class of shares.*
10. (A) *The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.*
- (B) *Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. All shares purchased by the Company shall be cancelled. The amount of the Company's issued share capital which is diminished on cancellation of the shares purchased shall be transferred to the Company's capital redemption reserve.*

SHARES

11. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) person whose name is entered in the Depository Register in respect of the share.*
12. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.*
13. *Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in a General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring the right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
14. *The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted Provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.*

15. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten market days of the closing date (or such other period as may be approved by any Stock Exchange upon which the shares in the Company may be listed) of any such application. The term "market day" shall have the meaning ascribed to it in Article 18. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

STOCK

46. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.
47. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine.
48. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

GENERAL MEETINGS

49. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.
50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

51. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:
- (a) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and
 - (b) in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right,

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed.

52. (A) *Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.*
- (B) *In the case of an Annual General Meeting, the notice shall also specify the meeting as such.*
- (C) *In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*
53. *Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:*
- (a) *declaring dividends;*
- (b) *receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;*
- (c) *appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*
- (d) *re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);*
- (e) *fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and*
- (f) *fixing the fees of the Directors proposed to be passed under Article 79.*
54. *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.*

PROCEEDINGS AT GENERAL MEETINGS

55. *The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*
56. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy.*
57. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.*

58. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
59. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*
60. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
61. *At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) the chairman of the meeting; or*
 - (b) not less than two members present in person or proxy and entitled to vote; or*
 - (c) a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or*
 - (d) a member present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting and being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right,*

Provided always that no poll shall be demanded on the choice of a Chairman or on a question of adjournment.

62. *A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*
63. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.*
64. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.*

VOTES OF MEMBERS

65. *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the company, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company.*
66. *In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.*
67. *Where in Singapore or elsewhere, a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on' behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*
68. *No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.*
69. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*
70. *On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*
71. (A) *A member may appoint not more than two proxies to attend and vote at the same General Meeting Provided that if the member is a Depositor, the Company shall be entitled and bound:*
- (a) *to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company; and*
- (b) *to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.*
- (B) *The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.*

- (C) *In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.*
 - (D) *A proxy need not be a member of the Company.*
72. (A) *An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:*
- (a) *in the case of an individual, shall be signed by the appointor or his attorney; and*
 - (b) *in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.*
- (B) *The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article 73, failing which the instrument may be treated as invalid.*
73. *An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.*
74. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.*
75. *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made Provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*

CORPORATIONS ACTING BY REPRESENTATIVES

76. *Any corporation which is member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat.*

RESERVES

120. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any part of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.*

DIVIDENDS

121. *The Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.*
122. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
123. *Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.*
124. *No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.*
125. *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*
126. (A) *The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
- (C) *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.*
127. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*

128. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*
129. (A) *Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:*
- (a) the basis of any such allotment shall be determined by the Directors;*
 - (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members whether in respect of a particular dividend or dividends or generally determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;*
 - (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion;*
 - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 133, the Directors shall capitalise and apply the amount standing to the credit of the Company's reserve accounts as the Directors may determine, such sum as may be required to pay up in full (to the nominal value thereof) the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.*
- (B) (a) *The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*

- (b) *The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in factions (including, notwithstanding any provisions to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).*
 - (C) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register or (as the case maybe) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.*
 - (D) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
 - (E) *Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reasons of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Article.*
130. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 132, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.*
131. *If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*
132. *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in a General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.*

CAPITALISATION OF PROFITS AND RESERVES

133. *The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts including Share Premium Account, Capital Redemption Reserve Fund or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

NOTICES

139. *Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours after the time when the cover containing the same is posted and in proving such service or delivery, it shall be sufficient to prove that such cover was properly addressed, stamped and posted.*
140. *Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose, a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded.*
141. *A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) the Depository an address within Singapore for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of this presents shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company shall have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member in the Register of Members or, where such member is a Depositor, entered against his name in the Depository Register a sole or first-named joint holder.*
142. *A member who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) the Depository an address within Singapore for the service of notices shall not be entitled to receive notices from the Company.*

WINDING UP

143. *The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.*
144. *If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may with the authority of a Special Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets, shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.*
145. *On a voluntary winding up of the Company, no commission or fee shall be paid to a Liquidator without the prior approval of the members in a General Meeting. The amount of such commission or fee shall be notified to all members not less than seven days prior to the Meeting at which it is to be considered.*

ASIA POWER CORPORATION LIMITED

(Company Registration No.: 199701487C)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Asia Power Corporation Limited (the “**Company**”) will be held at Republic of Singapore Yacht Club, Nautica I, Level 2, 52 West Coast Ferry Road, Singapore 126887 on 30 April 2014 at 9:30 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution (on a poll to be taken) to be passed in accordance with the requirements of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Delisting Resolution**”):

DELISTING RESOLUTION

Approval for the Voluntary Delisting of the Company

That:

- (a) the voluntary delisting of the Company from the Official List of the SGX-ST under Rules 1307 and 1309 of the Listing Manual (the “**Delisting Proposal**”), pursuant to which the Exit Offer (as defined in the circular to the shareholders of the Company dated 15 April 2014 (the “**Circular**”)) would be made to the shareholders of the Company on the terms and conditions set out in the Circular, be and is hereby approved; and
- (b) the directors of the Company and each of them be and is hereby authorised and empowered to complete and to do all such acts and things as they may consider necessary or expedient to give effect to the Delisting Proposal and/or this Resolution, with such modification thereto (if any) as they or he shall think fit in the interests of the Company.

By Order of the Board

Xue Liang
Executive Chairman and Chief Executive Officer
Singapore

15 April 2014

Notes:

A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.

The instrument appointing a proxy must be deposited at the registered office of the Company at 24 Raffles Place, #27-03, Clifford Centre, Singapore 048621, not less than 48 hours before the time set for the Extraordinary General Meeting or any postponement or adjournment thereof.

For further information pertaining to the Delisting Proposal, please refer to the Circular, an electronic copy of which is available on the website of the SGX-ST at www.sgx.com.

ASIA POWER CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199701487C)

IMPORTANT:

1. For investors who have used their CPF monies to buy Asia Power Corporation Limited's shares, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____

of _____

being a *member/members of Asia Power Corporation Limited (the "**Company**"), hereby appoint:

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or failing *him/her/them

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the Extraordinary General Meeting or such other person the Chairman of the Extraordinary General Meeting may designate, as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held at Republic of Singapore Yacht Club, Nautica I, Level 2, 52 West Coast Ferry Road, Singapore 126887 on 30 April 2014 at 9:30 a.m. and at any adjournment thereof. *I/We direct *my/our proxy/proxies to vote for or against the Resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at his/her/their discretion as *he/she/they think fit.

Delisting Resolution	For**	Against**
To approve the voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited under Rules 1307 and 1309 of the Listing Manual		

* Delete accordingly

** Please indicate your vote "For" or "Against" with an "X" within the box provided. If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated _____ this day of _____ 2014

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder



Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.
3. A member should insert the total number of Shares held. If the member has Shares entered against his/her name in the Depository Register (as defined in Section 130A of the Companies Act (Chapter 50 of Singapore)), he/she should insert that number of Shares. If the member has Shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of Shares. If the member has Shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members, he/she should insert the aggregate number of Shares entered against his/her name in the Depository Register and Register of Members of the Company. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by the member.
4. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Extraordinary General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Extraordinary General Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 24 Raffles Place, #27-03, Clifford Centre, Singapore 048621 not less than 48 hours before the time set for the Extraordinary General Meeting or any postponement or adjournment thereof.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy or proxies, failing which the instrument may be treated as invalid.
7. A corporation which is a member may, in accordance with Section 179 of the Companies Act (Chapter 50 of Singapore), authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged, if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.